



President Suharto delivering his state-of-the-nation address to the Indonesian Parliament in Jakarta on Sunday.

## Suharto Touts a Homegrown Solution

### Speaking of 'IMF-Plus,' He Keeps Prospect of Currency Peg Alive

By Seth Mydans  
New York Times Service

JAKARTA — President Suharto said Sunday that the austerity measures demanded by the International Monetary Fund had not yet borne fruit and that Indonesia must find its own formula for economic recovery, something he said might be called "IMF-plus."

In a major address, he thanked the international community for its help during the country's economic crisis and said Indonesia would continue to work with the IMF, which he called an "authoritative and highly effective international institution."

But he said he was still considering pegging the exchange rate of the rupiah to the dollar, a drastic measure that is strongly opposed by the IMF, the United States and the European Union.

Officials in Washington said Mr.

Mr. Suharto's speech was on the agenda of Vice President Al Gore's visit to Indonesia on Monday, but that was not the main point of the speech.

"In the end, our fate rests in our own hands," he said.

His remarks came in a five-yearly state-of-the-nation address on the first day of a parliamentary session that is set to hand him a seventh presidential term next week. Mr. Suharto is 76 and has led the country for 32 years.

Mr. Suharto insisted Sunday that he was moving ahead with the austerity measures, but that the key to recovery was to find a way to strengthen the Indonesian currency, the rupiah, which has fallen by more than 70 percent in value since last summer.

"Unless this is achieved, I don't see any possible improvement in the near future," Mr. Suharto said.

One way to strengthen the currency, he said, would be to set up what is known as a currency board, which would fix an artificially strong value for the rupiah, backed by Indonesia's foreign-currency reserves. Most economists say Indonesia's economy is too fragile to withstand the fiscal pressures of such a step.

"I must remain careful in cautiously contemplating the possible introduction of the currency board," Mr. Suharto said, adding, "Whatever measures we take, we need the support of the IMF."

An IMF delegation is reviewing Indonesia's compliance with an economic restructuring plan that Mr. Suharto signed under international pressure Jan. 15. The agency will decide in mid-March whether Indonesia's level of implementation warrants continued release of support funding.

Officials in Washington say Mr. Suharto's visit is in part a result of what they called Mr. Suharto's foot-dragging in implementing these measures.

In his speech, Mr. Suharto insisted, "We have carried out parts of the program, while other parts will follow later."

So far, he said, Indonesia has toughened its annual budget, as required; it has moved to ease investment

## Amid Religious Tensions, India Wraps Up Elections

By John F. Burns  
New York Times Service

COIMBATORE, India — India's general election came to a tense end over the weekend as voters in this southern textile city joined 150 million others in choosing between Sonia Gandhi's vision of a secular India and a rival vision of a country dominated politically by the culture and preferences of its 700 million Hindus.

Results begin flowing in Tuesday, India will know whether a seven-week election campaign produced a return to government by the Congress (I) Party, whose Maytag banner Mrs. Gandhi carried, or a historic turn to the Hindu nationalists of the Bharatiya Janata Party. The Hindu party entered the campaign with a large lead in opinion polls, which eroded as the drive mounted by the Italian-born Mrs. Gandhi caught fire.

Most forecasts are for a close result, probably tipped one way or the other by the voting Saturday — the third and decisive round in the staggered voting that began across the country two weeks ago. The system is India's solution to the huge organizational difficulties of running an election with 605 million voters, 5 million election officials and security personnel, 900,000 polling stations, nearly 5,000 candidates and 543 parliamentary districts.

The tensions that marked the election reached their peak here in Coimbatore, 2,000 kilometers (1,250 miles) south of New Delhi on the edge of the vast southern plain that dominates the subcontinent as it narrows to a meeting point between the Indian Ocean and the Arabian Sea. Two weeks ago, 62 people were killed by 17 bomb explosions that ripped through the city shortly before a rally scheduled by Lal Krishna Advani, the Bharatiya Janata Party's hard-line president.

Altogether, at least 150 people have been killed in election violence across the country. But the Coimbatore bombings came to encapsulate what many Indians found most fearful about the campaign, since they were rooted in rivalries and suspicions between the majority Hindu population of India and its 120 million Muslims.

Indeed, India has been challenged and tested by a series of events in the last few weeks. First, the assassination of Prime Minister Rajiv Gandhi, whose widow, Sonia, has assumed the leadership of the Congress (I) Party. Then, the bombing of a Hindu shrine in the southern city of Madras, which killed 100 people. Finally, the election itself, which has been marred by violence and disorder, and the death of a Hindu voter in Coimbatore.

Altogether, at least 150 people have been killed in election violence across the country. But the Coimbatore bombings came to encapsulate what many Indians found most fearful about the campaign, since they were rooted in rivalries and suspicions between the majority Hindu population of India and its 120 million Muslims.

Indeed, India has been challenged and tested by a series of events in the last few weeks. First, the assassination of Prime Minister Rajiv Gandhi, whose widow, Sonia, has assumed the leadership of the Congress (I) Party. Then, the bombing of a Hindu shrine in the southern city of Madras, which killed 100 people. Finally, the election itself, which has been marred by violence and disorder, and the death of a Hindu voter in Coimbatore.

See INDIA, Page 4

See SUHARTO, Page 13

## Vote Lifts Kohl Challenger

### Schroeder to Lead Social Democrats' National Bid

By Alan Cowell  
New York Times Service

HANNOVER, Germany — Surfing a wave of voter acclaim that could carry him to the chancellor's office in Bonn, Gerhard Schroeder, the state premier of Lower Saxony, triumphed in closely watched state elections Sunday, sealing his bid to challenge Helmut Kohl for Europe's most powerful political position in a national ballot later this year.

According to first computerized estimates by German polling institutes, Mr. Schroeder's Social Democrats increased their share of the vote by about 4 percentage points over the 44.3 percent they recorded in the last state assembly elections, in 1994, a postwar record for the party in Lower Saxony that reversed a string of Social Democrat reversals in state elections elsewhere.

"This is a result I could not have hoped for in my wildest dreams," said Mr. Schroeder, 53. "The Kohl era is over."

With the Lower Saxony vote acting as a kind of primary, the outcome sealed Mr. Schroeder's claim on his party's ticket for the September national vote, just one day before the Social Democrats decide formally in Bonn whom to field against Chancellor Kohl: Mr. Schroeder or the party leader, Oskar Lafontaine.

"Tomorrow, Gerhard Schroeder will be our candidate for chancellor," said Franz Muentefering, the Social Democrats' party manager in Bonn.

Both Mr. Schroeder and Mr. Lafontaine told reporters that they had spoken by telephone shortly after the results began to emerge and had agreed on Mr. Schroeder's candidacy.

"I'm delighted. We didn't expect such a great win," Mr. Lafontaine said. "I will nominate Gerhard Schroeder as our chancellor candidate tomorrow."

German commentators said the developments Sunday had changed and energized the basic dynamics of German politics for the first time in years, giving the Social Democrats not just their strongest candidate for chancellor since 1982 — when Mr. Kohl took power — but also an unfamiliar whiff of winning.

On top of that, Mr. Schroeder's candidacy would cast the September vote firmly into the mainstream of European efforts for social and economic renewal, pitting a centrist and reformed Social Democrat contender who likes to be compared

See GERMANY, Page 5



Premier Gerhard Schroeder and his wife, Doris, voting Sunday in Hannover in Lower Saxony elections.

## Shining the Light On a Dark Horse

By John Schmid  
International Herald Tribune

FRANKFURT — Even after the Social Democrats on Sunday ended a year of suspense over who would be their candidate to challenge Chancellor Helmut Kohl in September, not all the names have been thrown into the ring.

Germany's next leader might be neither Gerhard Schroeder, the standard-bearer for the left who won the election in Lower Saxony, nor Mr. Kohl himself, according to polls and political observers.

Under a scenario that receives significant attention in Bonn these days, the next chancellor, who will lead Europe's most powerful nation into the next millennium, could be Wolfgang Schaeuble.

Mr. Schaeuble, the popular 55-year-old whip of Mr. Kohl's parliamentary faction, has the experience and grit to unite disparate ideologies into an unconventional "grand coalition" that weds Germany's biggest conservative and leftist parties, party officials say. They consider Mr. Schaeuble a viable candidate, albeit an unofficial one.

"Another candidate lurks behind Kohl," said Dieter Walz, director of political and election research at the Emnid polling institute. The shadow candidacy of Mr. Schaeuble is meant to improve the odds for Mr. Kohl's conservative Christian Demo-

See SCHAEUBLE, Page 5



Wolfgang Schaeuble is gaining favor with pundits.

## Going to the Brink: Misgivings Plagued U.S. Plans to Attack Iraq

By Barton Gellman, Dana Priest  
and Bradley Graham  
Washington Post Service

WASHINGTON — At about the same hour on Jan. 29, two encounters 4,000 miles apart gave voice to the Clinton administration's divided instincts on Iraq.

On the riverfront campus of Fort McNair in Washington, an annual audience with President Bill Clinton for the Joint Chiefs of Staff and regional military commanders took place in an

atmosphere of painful anxiety about the contemplated bombardment of Iraq.

"I don't think there's a member of the Joint Chiefs who wants this to be the way it goes," a senior flag officer said afterward, describing the essence of the message being conveyed to the president. Details of the mission and the targets "weren't the issue," the officer said, emphasizing the regional and global political risks. "It had to do with, 'Is this the right thing to do?'"

In Paris, where night had fallen on a working

dinner at the Quai d'Orsay, Secretary of State Madeleine Albright had nearly finished recruiting her French counterpart for a public warning of an approaching military clash. As the last of the orange soufflé and Chamberlain Clos de Beze wine was cleared away, Foreign Minister Hubert Vedrine escorted Mrs. Albright before reporters and declared that "all options are open" if Iraq should fail to cooperate with United Nations weapons inspectors. Mrs. Albright added pointedly: "We have all but exhausted the real diplomatic options."

Brundishing the threat of violence — and hoping the threat would suffice — was the core of the government's classified "Pol-Mil Plan Iraq," a white loose-leaf binder with timelines for each stage of rhetorical escalation and military deployment. As the confrontation neared the brink last month, according to many participants, the misgivings of the president and his national security team grew in tandem with the intensity of their threats.

See IRAQ, Page 6

## Case of Juvenile Graffiti Darkens Belarus's Image

By Jane Perlez  
New York Times Service

MINSK, Belarus — Gaunt and pale, with his prison-shaven head just beginning to sprout hair, Vadim Lukashovich, 16, seemed barely able to believe the modest comfort of being back home.

"After all the steel I've had around me," he said, feeling the soft touch of a lounge chair and admiring the welcoming balloons and flowers in his mother's apartment.

In a case that has attracted close attention in Washington and Europe, a group of 54 nations, including the United States, accused Belarus of constructing a system of totalitarian government. Belarus was suspended from the group's parliamentary assembly, and its observer status at the Council of Europe, where Russia is a member, was withdrawn.

They were charged with something that would be dismissed as juvenile exuberance in most countries: spray-painting graffiti about their country's leader on statues of Lenin and Felix Dzerzhinsky, the founder of the KGB. But in authoritarian Belarus, their

## AGENDA

### Sweep in Kosovo Leaves 20 Dead

PRISTINA, Yugoslavia (AP)

— Serbian police continued a security sweep against Albanian militants in the troubled southern province of Kosovo that has left at least 20 dead, the Serbian Interior Ministry said Sunday.

Four policemen were killed and two were seriously wounded Saturday, the ministry said. Several ethnic Albanians were arrested.

The ministry attributed the killings to ethnic Albanian "terrorists," a term it uses for the separatist paramilitary group Kosovo Liberation Army. Kosovo has been ruled from Belgrade since 1989 but is peopled largely by Albanian-speakers.

Books ..... Page 9  
Crossword ..... Page 17  
Opinion ..... Page 8  
The Intermarket ..... Pages 7, 13  
The IHT on-line ..... www.iht.com

## Clinton's 'Profound Rage'

### Outward Calm Belies a Seething Conviction, Friends Say, That Prosecutor Is 'Dangerous'

By Bob Woodward  
and Peter Baker  
Washington Post Service

WASHINGTON — The goal, President Bill Clinton has said, is to show up for work each morning and focus on the job. And so in the midst of the worst crisis of his career, he goes about his business with an air of public calm — planning possible war one moment, touring disaster sites the next, even escaping to a ski resort over the weekend with the family.

But behind closed doors, in emotional moments of candor with confidants, Mr. Clinton is in a "profound rage" these days about the investigation into his relationship with Monica Lewinsky, according to associates. As unperturbed as he appears in public settings, they said, the president privately seethes that the independent counsel, Kenneth Starr, is "a very bad guy" and "dangerous."

After years of being scrutinized on so many fronts, from his Arkansas business deals to the death of his friend Vincent Foster and even to his sex life, Mr. Clinton has concluded that Mr. Starr is engaged in a moral crusade. The prosecutor and his staff, the president believes, are guilty of "prosecutorial misconduct" for supposedly colluding with attorneys working for Paula Jones in her sexual harassment lawsuit, according to people who have spoken with Mr. Clinton. There is, said one friend, "a sense of victimization." It is "not necessarily rational," said another.

"There's a great deal of anger," said one Clinton friend who has spoken with him on the topic. "But it's more than anger. There's genuine concern, even if it weren't him in the crosshairs, that Ken Starr represents a danger in American life."

That Mr. Clinton is personally furious at Mr. Starr may be predictable, but it is a side of him he has labored to hide from the public and even from much of

See BELARUS, Page 6

See CLINTON, Page 3

Newsstand Prices	
Andorra	10.00 FF Lebanon
12.50 FF Morocco	11.00
Cameroun	1,800 CFA Qatar
Egypt	25.50 Réunion
Greece	10.00 CFA Saudi Arabia
Gabon	1,100 CFA Senegal
Italy	2,800 Lira Spain
Navy Coast	1,250 Lira Tunisia
Jordan	1,250 JD U.A.E.
Kuwait	10.00 Dhs
	700 Fils U.S. M.R. (Eur.) 51.20



## THE AMERICAS

## Republicans Break Silence On Intern and Lash at Clinton

By Thomas B. Edsall  
*Washington Post Service*

**BILOXI**, Mississippi — After weeks of wary silence, leading Republicans took the stage at a gambling resort here over the weekend to assail the "national embarrassment" of sex and perjury allegations against President Bill Clinton.

At a meeting of more than 1,600 Southern Republicans, prospective presidential and vice presidential candidates, congressional leaders and governors assaulted Mr. Clinton with a combination of caustic humor and statements of high morality over the question of whether the president had sex with a former White House intern and then asked her to lie about it.

Former Vice President Dan Quayle called for enactment of a new crime program: "Three interns and you're out."

Most of the anti-Clinton comments were not, however, voiced to get a laugh.

Governor Tom Ridge of Pennsylvania, who is trying to win approval as a prospective vice presidential nominee, declared that Mr. Clinton has publicly advocated personal responsibility "but seems incapable of taking responsibility for his own actions."

Representative J.C. Watts Jr. of Oklahoma, who has also been mentioned as a potential vice presidential running mate, asked, "Friends, what has happened to us when a high school football or basketball coach has to live to a higher standard than the president of the United States?"

Lamar Alexander, former Tennessee governor and past presidential aspirant, said, "What is happening today in the Oval Office is a national embarrassment."

Until now, Republican strategy has called for party leaders to stand aside and let the independent counsel's investigation into Monica Lewinsky's tape-recorded allegations play out. Republican reluctance to enter the fray has been reinforced by poll results showing Mr. Clinton's job approval shooting up to the 70 percent-plus favorability range.

In that town of 33,000, single men outnumber single women by 5 to 3, and few are Jewish. New York City, a relative had pointed out to Mr. Ramras, has 1.9 million Jews.

The search by Mr. Ramras, who owns a chain of restaurants in Alaska, has made him a bit of a celebrity in New York. New York magazine has carried weekly progress reports on his dozens of dates.

The tall Alaskan, who is 33, played host at Jewish singles parties and spoke at synagogues. He took his dates to Broadway shows and hockey games. His friendly and unaffected style made him popular — but the idea of freezing in Alaska did not help his cause.

At a good-bye brunch, fate intervened. Mr. Ramras met a young Jewish marketing executive. He put off his return home. But the woman, whom he declines to identify, is determined to stay in New York.

On Monday, Mr. Ramras returns to Fairbanks, not ending the relationship but giving it breathing room, he says. Depending on the mystery woman, he leaves open the idea of returning, and maybe even living in the Big Apple.

**Short Takes**



Senator Fred Thompson taking his turn to attack the president in Biloxi.

## AMERICAN TOPICS

## A Bachelor Waits: Will She Leave N.Y. for Fairbanks?

Jay Ramras, a most eligible Jewish bachelor, went to New York City from Alaska four months ago in search of his dream woman, the Jewish population of Alaska being quite small. Now he has found what he wanted — if only he can sell her on Fairbanks.

In that town of 33,000, single men outnumber single women by 5 to 3, and few are Jewish. New York City, a relative had pointed out to Mr. Ramras, has 1.9 million Jews.

The search by Mr. Ramras, who owns a chain of restaurants in Alaska, has made him a bit of a celebrity in New York. New York magazine has carried weekly progress reports on his dozens of dates.

The tall Alaskan, who is 33, played host at Jewish singles parties and spoke at synagogues. He took his dates to Broadway shows and hockey games. His friendly and unaffected style made him popular — but the idea of freezing in Alaska did not help his cause.

At a good-bye brunch, fate intervened. Mr. Ramras met a young Jewish marketing executive. He put off his return home. But the woman, whom he declines to identify, is determined to stay in New York.

On Monday, Mr. Ramras returns to Fairbanks, not ending the relationship but giving it breathing room, he says. Depending on the mystery woman, he leaves open the idea of returning, and maybe even living in the Big Apple.

**Short Takes**

From governor to county jailer,

newly elected officials in Kentucky must raise their right hand and solemnly swear to three things: to support the state and federal constitutions, to faithfully execute their duties, and to neither take part in nor help organize armed duels. Lawyers newly admitted to the bar must take the same vow. The part about duels invariably draws giggles from the inaugural crowd. It dates to the antebellum days, when proud Kentuckians commonly resorted to pistols, not lawsuits, to settle assaults on their honor.

"It makes Kentucky look silly," said Thomas Clark, a state historian. "It has no pertinence" now, he says, though it did in 1849, when it was written into the state constitution. Newspapers then were challenged over critical stories. Two men once duelled over who knew more about the classical languages. Support has grown for a proposed constitutional amendment to drop dueling from the state oath. But a limit on the number of such proceedings each session may keep it in.

The number of children injured by shopping carts is way up, and a child safety organization blames harried parents in a hurry. The number of preschoolers taken to emergency rooms because of such accidents has risen 30 percent since 1985 to about 1,600. Carts are top-heavy, so children can be hurt when they stand up in, jump off, fall out of, run into, climb on, catch a finger in or become struck by carts.

A sex novelty shop in Houston has been forced to stop selling edible underwear because it lacks a food service license. "It's so silly," said Myrtle Freeman, owner of *Condoms & More*. Actually, she could have continued offering the underwear had she been willing to pay a \$200 annual permit fee for regular health inspections — or fought it in court.

Brian Knowlton

## CLINTON: President's Outward Calm Belies His Rage at Starr

Continued from Page 1

they are better off keeping Mr. Starr in place because the prosecutor is viewed so negatively by the American public.

"How could you have a better guy there?" asked James Carville, the president's former political consultant who for years has been waging what he calls a public "war" against Mr. Starr with the tacit approval of the White House. "You've got a guy investigating you that two-thirds of the country hates. How could you be better?"

That has not slowed efforts by Clinton allies to undermine Mr. Starr in the public arena. The White House has denied using private investigators employed by Mr. Clinton's lawyers to dig up dirt on prosecutors, but has acknowledged circulating negative news accounts about past prosecutions carried out by Mr. Starr's lieutenants.

Mr. Clinton's suspicions about a Starr-Jones collaboration also have found their way into public accusations by his surrogates. Several congressional Democrats have alleged a collusion. The president, for "good cause," and the president presumably could order her to do so.

But senior White House officials say they believe that would be sheer disaster for Mr. Clinton because it invariably would be seen as the modern-day equivalent of the "Saturday Night Massacre" in 1973 when President Richard Nixon ordered the dismissal of the Watergate special prosecutor, Archibald Cox.

Mr. Clinton's top aides are convinced that in his calm-headed moments he recognizes the political consequences, but it is a subject on which he is not always calm.

From a purely pragmatic point of view, many Clinton strategists say they believe

that they are better off keeping Mr. Starr in place because the prosecutor is viewed so negatively by the American public.

Mrs. Jones's lawyers have denied teaming up with Mr. Starr and rejected the notion they laid a perjury trap for Mr. Clinton, noting it was his choice whether to tell the grand jury.

For Mr. Clinton, there is more to it than the institutional prerogatives. Mr. Lindsey has been a friend for 30 years and "the equivalent of Bill Clinton's taping system," as one source in the Clinton camp put it, and the president is determined to fight to protect the confidentiality of their talks.

Around most people, Mr. Clinton maintains a certain degree of detachment about Mr. Starr, displaying his famed ability to "compartmentalize" aspects of his life. Even some of his most senior aides said they had not seen the bursts of rage and frustration displayed by others and were struck by how focused the president seems on the job.

"In private, the president seems quite at peace with himself, almost 'Zen-like,'" said Douglas Sosnik, the president's counselor who accompanies him on almost every out-of-town trip, talking, strategizing and playing cards late into the night.

Yet another person close to Mr. Clinton described his feelings toward Mr. Starr as "a slow, intense burn" that only sometimes made itself visible and often just with the closest of friends — or with his lawyers, to whom he has turned because he can speak freely with them without worrying they might be forced to disclose their private talks.

The outbursts often come in late-night discussions or phone calls, said the sources.

## Colombia Farmers Stuck With Drugs

## Funds to Switch Crops Unavailable

By Diana Jean Schemo  
*New York Times Service*

it would grant a waiver to Colombia this year as an acknowledgment of progress in destroying crops.

But the results have not been encouraging.

Last year, Colombian pilots poisoned 40,000 hectares (100,000 acres) of coca crops, and yet the total area under coca cultivation rose nearly 20 percent.

While Washington formulates policies to reduce drug trafficking by poisoning crops, attacking bridges and blowing up labs, the strategy's limited successes are trumpeted widely. Less well known is the way the policy affects the peasants who took up illegal crops in a Faustian bargain to join the middle class.

But as more and more farmers grew coca instead of food, prices for coca leaf dropped and the cost of the food they had to buy soared.

Crop dusters financed by U.S. anti-drug efforts poisoned the harvest. And gradually, the problems that cocaine has fueled in urban ghettos — violence, shattered families and an addiction to easy money — reached back to the valley like a curse returning to its roots.

As life unraveled, the coca growers learned that although Colombia was spending \$1.1 billion a year fighting drug trafficking and Washington was pouring more than \$100 million a year into Colombia's anti-narcotics police, hardly any of that money was available to help communities stop growing illegal crops.

Washington's strategy in Colombia, where about 80 percent of the cocaine sold in the United States originates, never included the kind of highly effective programs in Bolivia and Peru that helped peasants raise alternative crops.

Indeed, while drug crops in Bolivia and Peru — where fumigation is banned — have continued to fall, the world's leading producer of coca last year was Colombia over the past two years in the fight against drug trafficking.

At the same time, the U.S. anti-narcotics funding for Latin America's military and police more than tripled between 1996 and 1997, according to a report by the Washington Office on Latin America.

Still, the seizure of tens of thousands of tons of heroin and cocaine between 1988 and 1995 and the destruction of about 54,000 hectares of coca had "made little impact on the availability of illegal drugs in the United States," according to a 1997 report by the General Accounting Office.

## POLITICAL NOTES

## Questions Over Jones's Funds

WASHINGTON — Paula Jones hired a direct-mail firm last fall to raise hundreds of thousands of dollars for her legal battle against President Bill Clinton, but none of the money has gone to the foundation sponsoring her sexual harassment lawsuit or the lawyers pursuing it.

Mrs. Jones signed a contract in November with Bruce W. Eberle & Associates Inc., which guaranteed her a minimum of \$300,000 as long as the firm could make its own profit from the fund-raising campaign, according to a copy of the document. About \$100,000 has already been sent directly to Mrs. Jones, said a source familiar with the effort.

Solicitation letters and a newspaper advertisement drafted by Mr. Eberle's company, a firm long associated with conservative causes, said that the money raised would go to "litigation expenses." In one letter that went out over her signature, Mrs. Jones said: "My lawyers can't keep fighting now without outside funding. And they'll need at least \$250,000 to keep my case going." It added: "This money is going to help my legal case and expenses related to it."

But the Rutherford Institute that is paying for expenses related to the lawsuit and the Dallas law firm that is representing Mrs. Jones in the case said that they had not gotten any money from the venture.

The issue of who has been bankrolling the Jones effort has been a flash point in the battle over her claim that Mr. Clinton propositioned her in a Little Rock hotel in 1991. Mr. Clinton's side has asserted that Mrs. Jones's motivation in pursuing the lawsuit is money, and the president's lawyers have hired investigators and issued subpoenas in an effort to determine how she is paying for her case. (NYT)

## Jordan's Grand Jury Summons

WASHINGTON — Vernon Jordan Jr., President Clinton's close friend and unofficial adviser, has been summoned to appear Tuesday before the grand jury investigating the relationship between the president and Monica Lewinsky, a former White House intern, lawyers involved in the case said.

Keneth Starr, the independent counsel conducting the inquiry, also ordered a Little Rock private investigator and former state police officer, O.H. Mullennix, to appear before a grand jury in Little Rock on Tuesday.

The subpoenas indicate that Mr. Starr is moving on parallel tracks in two separate investigations. The major investigation concerns whether Mr. Clinton had a sexual affair with Ms. Lewinsky and then instructed her to lie about it under oath. Mr. Clinton denies both charges. The second investigation involves what Mr. Starr calls a smear campaign against his office by the White House.

Mr. Jordan could be an important witness in the case because he found Ms. Lewinsky a lawyer to represent her after she had been subpoenaed as a witness in the Paula Jones sexual misconduct lawsuit against the president. Mr. Jordan also tried to help Ms. Lewinsky find a public relations position at Revlon Inc. (NYT)

## Quote/Unquote

President Clinton, in the Main Street Deli while on vacation in Park City, Utah, ordered a cup of decaf from the owner, Barbara Lindblom, who remarked that she had voted for the president and that was "hard in Utah." The president shook his head knowingly: "Hazardous to your health out here." (AP)

**• Subscribe and SAVE up to 60% off the cover price.**  
**• Also available: PAY MONTHLY by easy, low cost, direct debit.**

EARLY MORNING DELIVERY TO YOUR HOME OR OFFICE.

*Herald Tribune*

For more information about easy ordering and availability of hand delivery CALL our Subscriber Customer Service Department: TOLL FREE: 00800 4 448 7827 (00800 4 IHT SUBS) or Fax: 01 41 43 92 10 E-mail: sub@iht.com Internet: <http://www.iht.com>

**PAYMENT BY MONTHLY DIRECT DEBIT**  
 YES, I'd like to subscribe and have my bank account debited monthly by FF162. Please start my subscription and send me a bank form to arrange my payment.

**PAYMENT BY CHECK OR CREDIT CARD**  
 I'd like to subscribe and pay for the following term:  
□ 12 months (+ 2 months free): FF1,950 (Saving off cover price: 46%)  
□ Special, 2-month trial subscription: FF210 (Saving off cover price: 60%)  
□ My check is enclosed (payable to the IHT)

Charge my: □ Access □ American Express □ Diners □ Eurocard □ MasterCard □ Visa

Credit card charges will be made in French Francs at current exchange rates.

Card No.: \_\_\_\_\_ Exp.: \_\_\_\_\_

Signature: \_\_\_\_\_  
Please start delivery and send invoice.

Family Name: \_\_\_\_\_

First Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Mailing Address: □ Home □ Business

City: \_\_\_\_\_ Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Your VAT N° (Business orders only) \_\_\_\_\_ IHT VAT N° 247 320 211 26

I got this copy of the IHT at: □ kiosk □ hotel □ airline □ other  This offer expires on December 31, 1998 and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your completed coupon to: Subscriptions Director, International Herald-Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex. Fax: 01 41 43 92 10 E-mail: sub@iht.com

**READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING:**  
**EUROPE, MIDDLE EAST & AFRICA**  
Tel: +33 1 41 43 93 61 Fax: +33 1 41 43 92 10  
**THE AMERICAS**  
Tel: (USA toll free) 1-800-582-2884  
Fax: +1 212 755 8785  
**ASIA**  
Tel: +852 29 22 11 71 Fax: +852 29 22 11 99

## Away From Politics

Two months after a top executive of Philip Morris Cos. testified in 1994 before Congress that the cigarette maker did not "manipulate or independently control" nicotine in its products, company scientists reported on experiments that indicated that they could produce "enhanced" nicotine effects on a smoker's nervous system, an internal company document shows. (NYT)

For the first time since federal officials began keeping weather records in 1869, the month of February has passed without a trace of snow falling in New York's Central Park. (NYT)

## ASIA/PACIFIC

## Seoul's Twist on North Complicates U.S. Policy

By Nicholas D. Kristof  
New York Times Service

SEOUL — The United States and South Korea have always been a bit like spouses as well as allies, and Seoul's basic demand of Washington has been for diplomatic fidelity: Thou shall not commit adultery with North Korea.

Whenever American diplomats have even proposed sitting at a table with North Korean counterparts, there has been plenty of explaining to do in Seoul.

But now as South Korea searches for ways to engage its longtime enemy to the north, there are hints that it may consider releasing the United States from its vows — and that leaves Washington with the challenge of figuring out how to respond.

The new South Korean president, Kim Dae Jung, suggested in his inaugural address Wednesday that it would be fine "if North Korea pushes for interaction and cooperation with our friends, including the United States and Japan."

Indeed, some South Koreans are wondering aloud whether a bit of diplomatic two-timing by the United States might be the best way to clear the air.

"Many members of our party think it can be considered as a useful and practical tool for the United States to recognize North Korea to stabilize the Korean Peninsula," said Kim Min Seuk, a member of the National Assembly from the National Congress for New Politics, which is also President Kim's party.

That remains the minority view in South Korea, but it does suggest that Mr. Kim's inauguration may have opened new options for the United States — even if Washington does not seem eager to pursue them.

For now the United States still appears committed to its policy of applying economic sanctions against North Korea and limiting official contacts. Washington and Pyongyang have agreed to work toward eventual diplomatic recognition, but that seems a long way off.

Years ago there was discussion in the United States about recognizing North Korea as part of a cross-recognition deal whereby Moscow and Beijing would recognize South Korea. But in the end Russia and China established diplomatic relations with Seoul on their own, and the United States still has almost no dealings with the North. What contacts do take place are usually limited to specific subjects. There have been direct discussions on curbing the North's missile program and on recovering the bodies of U.S. soldiers killed in the Korean War.

And there are periodic four-party talks, involving China and the United States as well as the two Koreas, aimed at building peace on the Korean Peninsula.

Part of the problem is that the North is about as unpalatable a diplomatic partner as one can imagine, making Iraq look like a democracy. U.S. officials say North Korea has engaged in acts of terrorism, including the bombing in 1987 of a South Korean civilian aircraft that exploded in midair, killing all 115 aboard. In addition, Pyongyang has resisted even exchanging liaison offices, a step toward eventual diplomatic relations.

Washington's formal position is that relations should improve first between the two Koreas and that it does not want to irritate an old ally like South Korea unnecessarily. Even if Mr. Kim seems more open to the idea of relations between the United States and North Korea, many other South Koreans are deeply anxious about it.

Lee Hong Koo, an influential former prime minister of South Korea, said that growing contacts between the United States and North Korea are inevitable, but he warned that Washington should proceed very carefully to avoid inflaming South Korean society.

"We have a sizable conservative bloc in Korea," Mr. Lee said, "and they are



A supporter of President Kim Dae Jung, left, slapping a handicapped South Korean at a rally Sunday in Seoul. The man had complained about the new president's acceptance of a new law that would permit layoffs.

That's the kind of thing Washington should be very careful about."

The U.S. ambassador in Seoul, Stephen Bosworth, emphasized the United States' sensitivity to these South Korean concerns. He sidestepped a question about whether it was time for

Washington to re-evaluate its Korea policy and to discuss further links with North Korea.

"That's not the answer to the problem," Mr. Bosworth said. "The answer to the problem is for the North and South to talk to one another."

## INDIA: Voting Ends in Contest Between Secular and Hindu Visions for Subcontinent

Continued from Page 1

set the explosions to try to disrupt the rally organized by Mr. Advani or even to kill him.

But Muslim leaders in the city repeated over the weekend what they and the Congress Party's national president, Sitaram Kesri, alleged immediately after the bombings. They say the explosions were, in effect, India's equivalent of the Reichstag fire in Berlin in 1933 — a provocation organized by Hindu nationalist extremists to stampede Hindus into voting en masse for the Hindu party.

Historians have said that the Nazi Party organized the Reichstag fire, which gutted Germany's prewar Parliament, then blamed the Communists to justify emergency measures that consolidated Hitler's power.

"We Muslims didn't do it," said Abdul Latif, 50, a property dealer who is secretary of the Coimbatore Muslim Federation, one of the most influential of the city's Muslim groups. "The bombings were a stunt organized by the

Hindu nationalists to assure that they will win in Coimbatore and get a majority in Parliament. They want to herd all Hindus in India into the Hindu nationalist camp."

But this view found few takers among Hindus arriving at the city's polling places, who appeared to favor the Hindu party strongly.

Crowds of eager voters pressed around trestle tables set up by the Hindu nationalists near the polling places, while similar tables set up by the governing party in Tamil Nadu state, allied in the elections to the Congress Party, were quiet for long periods.

At many polling places, the voting was being closely watched by members of the Rashtriya Swayamsevak Sangh, a secretive Hindu nationalist group founded in 1925 and modeled in its early days on the Nazi Party. The group has helped to found a succession of political parties, including Bharatiya Janata.

Whichever way the election goes, few Indians doubt that it will represent a historic turning point — made all the more poignant by Mrs. Gandhi's in-

volvement and the coincidence of the election's occurring in the 50th anniversary year of India's independence. If the Hindu nationalists win, their critics say, it will be a rejection of much of what India has stood for in its first half-century as a free nation.

As much as they have been fascinated by the role of Mrs. Gandhi, a 51-year-old Roman Catholic who came to politics as the widow and daughter-in-law of two assassinated prime ministers, Rajiv and Indira Gandhi, Indians have been transfixed by what her battle with the Hindu nationalists represents.

The special irony of this — endlessly highlighted by the Hindu nationalist leaders in their personal attacks on Mrs. Gandhi as a "foreign hand" and as a representative sent to India by "Rome" — has been that the Congress Party, tired and corrupted after more than 44 years in power, had to turn to a foreign-born woman, albeit one with Indian citizenship, to make its case.

The central issue, protagonists on both sides of the struggle say, has been the choice the election has given voters

between the India envisioned by Mahatma K. Gandhi, the independence leader, of a nation that is an equal fusion of myriad cultures and faiths, and another India, one that hearkens back to an ancient time before Hinduism was forced by conquest and contact to accommodate Buddhist, Islamic, Christian and other beliefs.

The Hindu party built its campaign around its candidate for prime minister, Atal Bihari Vajpayee, a 71-year-old parliamentary veteran who is considered a moderate in nationalist terms, and on promises by Mr. Vajpayee and others that the party will moderate its program if necessary to retain parliamentary support. This approach seemed to be broadly successful with many Hindus who do not favor measures that would be harmful to Muslims and other groups but feel that it is time to give the nationalists a chance to govern.

Venkataraman Padmanabhan, 67, the director of the Coimbatore chapter of the Indian Chamber of Commerce and Industry, said, "People want to have a look and see what they can do."

## Burma Arrests 40 in Alleged Plot

Democracy Advocates Are Accused of Bid to Bomb ASEAN Embassies

The Associated Press

RANGOON — The military regime in Burma has arrested 40 people whom it accuses of planning to bomb government buildings and embassies and assassinate the regime's leaders.

A government spokesman, Colonel Kyaw Thein, said Sunday that the plot was led by the All Burma Students Democratic Front, made up of former students who fled the suppression of a pro-democracy uprising in 1988.

A spokesman for the students' front, Aung Naing Oo, denied the assertion, saying that the group had given up armed struggle last year and was now seeking change in Burma through "nonviolent, political defiance."

"We didn't have anything to do with this," he said in Bangkok. "It's the usual military propaganda."

Colonel Kyaw Thein said that among those arrested in January was a law graduate, U Ko Thein, described as the leader of a plot to "undermine public confidence in the government."

Colonel Kyaw Thein said at a news conference that the student insurgents were

linked to the party of Daw Aung San Suu Kyi, the democracy advocate. He said two members of her National League for Democracy, U Myo Thant and U Pol Khwa, had established contact with the student group and gone underground in November.

Daw Aung San Suu Kyi, winner of the Nobel Peace Prize, has said that she is seeking a nonviolent way to bring democracy to Burma.

Colonel Kyaw Thein said that no action has been taken against the laureate's party but that the regime wanted to "highlight the National League for Democracy's obvious link with the illegal organization."

The colonel said the insurgents were hoping to place bombs at government buildings and embassies of members of the Association of South East Asian Nations, which admitted Burma as a member last July and has generally supported the regime. Fuses concealed in cigarettes and some explosives that the colonel said were seized from U Ko Thein were exhibited at the news conference.

The colonel did not say when the people arrested would be tried.

### BRIEFLY

#### Khmer Rouge Assails Cease-Fire as a Ruse

PHNOM PENH — The Khmer Rouge on Sunday condemned a cease-fire declared last week as an effort by Second Prime Minister Hun Sen to destroy the opposition loyal to Prince Norodom Ranariddh, the deposed first prime minister.

The Khmer Rouge, which has been helping the prince's forces in fighting that erupted after Prince Ranariddh was toppled by Mr. Hun Sen last July, called for the war against the government to continue.

Both government forces and Prince Ranariddh's men were ordered by their commanders to stop fighting each other Friday. But the cease-fire did not cover the Khmer Rouge, who operate out of Cambodia's remote northern forests.

The Khmer Rouge says it is alarmed because the government side is insisting that under the cease-fire, the prince's forces must declare their positions, troop strength and weapons supplies, and must break all ties with the Khmer Rouge.

(Reuters)

hui Province, arrested Saturday for threatening state security, and Yang Qinheung of Shanghai, detained Friday for disturbing social order. (Reuters)

#### Rights in Hong Kong

HONG KONG — The people of Hong Kong face a steady diminution of their civil rights under Chinese rule, political analysts said Sunday.

"We are seeing a progressive tightening of control on the political front," said a commentator, Lau Yui-sui.

Last week, the local government repealed a part of the territory's pre-handover Bill of Rights that had allowed lawsuits over human-rights violations. Hong Kong's election authority also ruled out letting international observers monitor the former British colony's first vote under the government that took over in July.

Local officials have defended their moves by saying it was important to balance freedom and social order.

(Reuters)

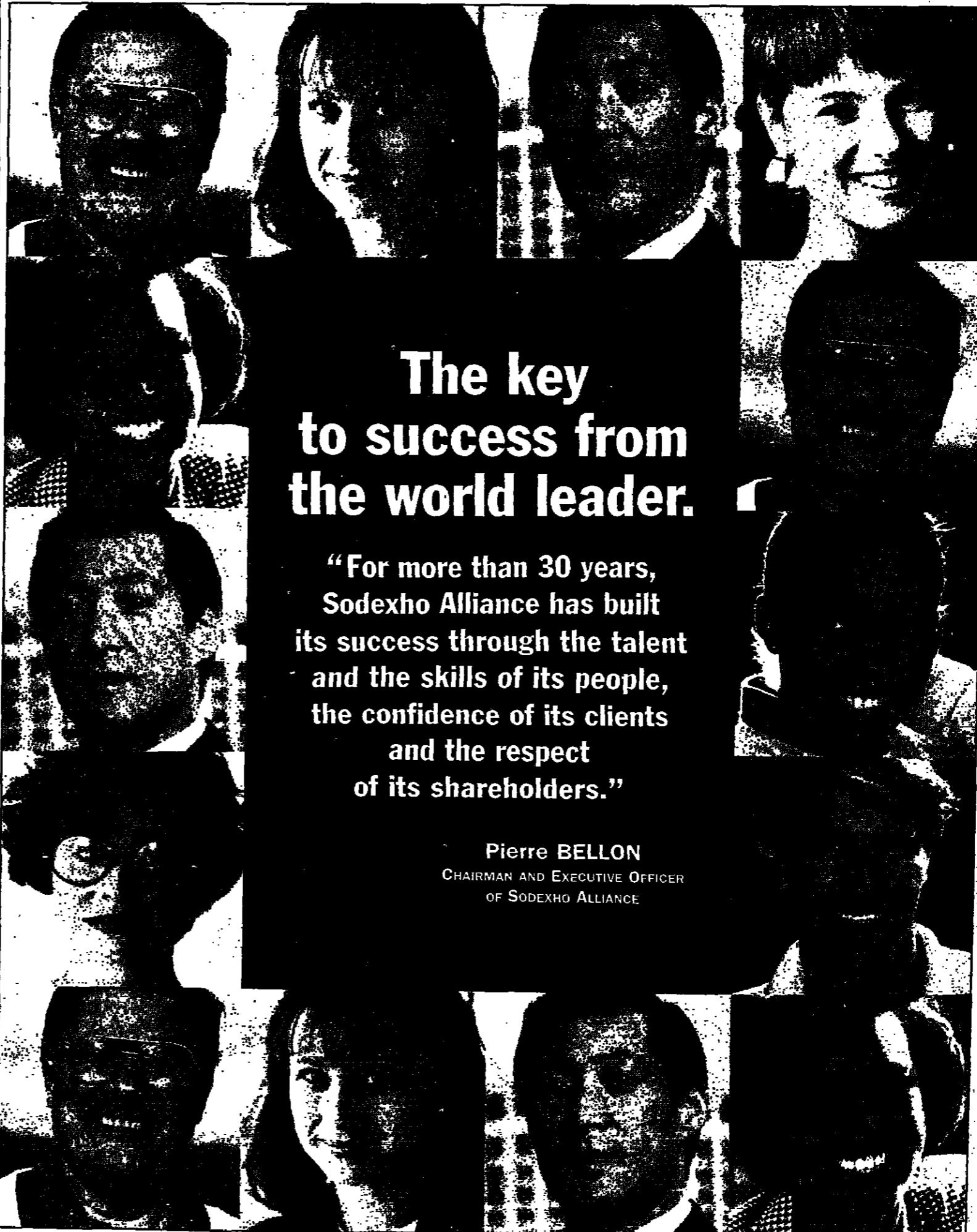
#### Pakistan Arrests 150

KARACHI, Pakistan — The police have detained 150 people in connection with a recent series of killings here, police and party officials said Sunday.

The authorities made the arrests during raids in the Korangi and Landhi districts of Karachi, which has been torn by ethnic and religious strife. The crackdown came amid a wave of violence that has left 30 dead in 10 days, including the killing of eight people by unidentified gunmen in Korangi last week.

Meanwhile, a bomb exploded Saturday in the capital, Islamabad, causing panic but no casualties, the police said.

The dissenters are Ma Lianggang of An-



**The key to success from the world leader.**

**"For more than 30 years, Sodexho Alliance has built its success through the talent and the skills of its people, the confidence of its clients and the respect of its shareholders."**

Pierre BELLON  
CHAIRMAN AND EXECUTIVE OFFICER  
OF SODEXHO ALLIANCE

**Successful**

**Sodexho**

## Amid Fires, Jakarta Aide Ready to Quit

The Associated Press

JAKARTA — While dozens of fires spread thick smoke haze across the eastern side of the island of Borneo on Sunday, Indonesia's outspoken environment minister said he was ready to leave office.

The Jakarta Post newspaper quoted Sarwono Kusumahana as saying he did not expect to be reappointed to the cabinet when President Suharto selects a new ministerial lineup this month.

The cabinet was officially dissolved Sunday when the 1,000-member assembly that will elect a president began its 11-day session. Mr. Suharto, who has governed for 32 years, is running unopposed for a seventh five-year term.

"I don't make a fuss," Mr. Sarwono said when asked about his future.

The newspaper did not say why Mr. Sarwono might not be reappointed.

Last year Mr. Sarwono made headlines when he blamed plantation and forestry companies, some of them linked to associates or relatives of Mr. Suharto's, for fires that covered the region in haze.

Since then, he has admitted frankly that Indonesia's deep economic crisis would hamper the country's ability to control new fires.

Hundreds of fires between July and November produced a haze over much of Southeast Asia last year, threatening the health of millions.

The new fires in Borneo have raised fears that the widespread haze might return.

As in 1997, officials say that many of the fires this year have been started deliberately to clear land cheaply.

The fires have been burning while a drought grips the eastern part of Borneo, which should be experiencing heavy rain at this time of year.

Meteorologists blame the El Niño weather phenomenon for the delay of the wet season.

The government estimates that at least 15,840 hectares (34,600 acres) of forest have been burned since January, although others estimate that fires have swept through as many as 100,000 hectares of land.

## Amid Fires, Jakarta Aide Ready to Quell

JAKARTA — While down, fires spread thick smoke across the eastern side of the island of Borneo on Sunday, Indonesia's unspoken environmental emergency.

The Jakarta Post newspaper quoted Sarwono Kusumadikarta as saying he did not expect to be reappointed to the cabinet as Minister of Environment this month.

The cabinet was officially dissolved Sunday when the 145-member assembly that will decide President Suharto's 11-day term began its 11-day session.

"I don't make a fuss," Mr. Suharto said when asked about future.

The newspaper did not say Mr. Sarwono might not be appointed.

Last year Mr. Sarwono's headlines when he blamed deforestation and forestry companies of them linked to some of the fires that covered the region.

Since then, he has admitted that Indonesia's deep economic crisis would hamper country's ability to control fires.

Hundreds of fires between October and November produced a large amount of Southeast Asia's smoke, threatening the health of millions.

The new fires in Borneo are raising fears the widespread will return.

As in 1997, officials are racing to put the fires this year to be started deliberately to clear land.

The fires have been rare, while a drought grips the east part of Borneo, which should be experiencing heavy rain at this time.

Metereological blame the late weather phenomenon for a series of the wet season.

The government estimates that 1.5 million hectares of forest have been burned so far, although other sources say that fires have swept through 1.5 million hectares.

## France Basks in Foreign Successes

### Minister Sees Role in Iraq Crisis as Showing Paris's Special 'Lever'

By Joseph Fitchett  
*International Herald Tribune*

PARIS — Foreign Minister Hubert Vedrine said Sunday that French diplomatic "ingenuity" in the Iraq crisis showed the special power of France as a "lever" in world affairs and the intangible assets endowing Paris with influence well beyond its economic strength and military punch.

The image of France's international leverage came naturally to Mr. Vedrine after perhaps the best week for French diplomacy under the last three governments. Although Mr. Vedrine did not use

those words in a wide-ranging hourlong radio interview, a series of recent events have helped lift his Socialist government's popularity to a 37 percent approval rating.

Helping create this new honeymoon, analysts said Sunday, the French government was widely credited with tempering U.S. bellicosity to broker a deal with Iraq. The European single currency seemed more tangible than ever Friday when 11 nations, including France, met the technical criteria as they crossed the finish line a month ahead of the final decision on initial membership. And France reportedly reached a compromis

on the European Central Bank, getting the No. 2 job for the first term and the top job the second.

In all of these events, Mr. Vedrine and Prime Minister Lionel Jospin, together with Jacques Chirac, the conservative president who shares power with the Socialist government, seemed to throw France's weight judiciously into the balance when the fight was winnable — and to know when to walk by, saying, "We don't have a dog in that fight."

That seemed very much on Mr. Vedrine's mind as he described how France worked last month to develop an option other than military force against Iraq, consolidating reluctance among other European countries, including those that were technically committed to supporting the United States in combat.

Similarly, he said, France worked this weekend to shape the United Nations Security Council resolution in terms of lifting sanctions and reintegrating Iraq in the community of nations, once, he said, Iraq has complied with UN inspections.

He was careful, constantly, to stress that France was seeking "constructive convergence, not damaging disharmony" with the United States.

Indeed, Mr. Vedrine has easily settled some bones of contention, such as U.S.-French rivalry in Africa. There, U.S. and French troops this weekend were both observers at the first exercises being carried out by a new African joint peace-keeping force, a U.S. suggestion deemed in Paris when it was made three years ago.

Since then, the Socialist government decided to save funds and avoid political embarrassment by cutting back its military role in Africa.

With this approach, the government, in its first year in office, has offered smooth performances in contrast to the embarrassing flip-flops under previous governments.

The Socialists, like Mr. Chirac, see France's room for maneuver defined by Washington.

Mr. Vedrine on Sunday described the United States as "beyond a superpower — an ultrapower," which was unsatisfactory in direct confrontation.

Drawing on his familiarity with the policy process in Washington, Mr. Vedrine seemed to offer a diplomatic, almost upbeat version of the view taken last week by Jean-Marie Colombani, editor of the newspaper *Le Monde*, who wrote about "Americans' arrogance in thinking that they decide for everyone," an approach that often leaves Washington with nothing but a military option that the United States does not really want to use.



Demonstrators in London on Sunday protesting changes to country life.

## Rural Britons Rally in Show Of Discontent

Compiled by The Associated Press

LONDON — An estimated 250,000 country folk marched peacefully through central London on Sunday to protest against issues ranging from a proposed ban on fox hunting to rules prohibiting the sale of beef on the bone.

Hunters in riding gear and gentlemen clasping walking sticks joined butchers, farmers, villagers and landowners from across the nation to show the 10-month-old Labour government that the rural lobby is strong and vocal. The march snarled traffic for hours.

The rally started off as a reaction to a draft law proposed by a member of Prime Minister Tony Blair's ruling Labour Party, which seeks to ban fox hunting.

But it quickly snowballed to include other lobby groups outraged by recent government decisions concerning rural living, such as the government's decision to ban beef on the bone to prevent the spread of "mad cow" disease and a commitment to enshrine the public's "right to roam" on private land.

As the Observer newspaper noted: "Everyone's going to town on their own hobby horse."

Agriculture Minister Jack Cunningham asserted that sinister "vested interests" were masterminding the event and had "conned" hundreds of "decent country folk."

Paddy Ashdown, leader of the Liberal Democrat Party, said, "This is about the preservation of a livelihood, not the protection of a pestilence." Country dwellers also complained of poor public transportation and lack of local facilities like hospitals and schools. (AP, Reuters)

## GERMANY: Triumphant, Schroeder Seals Bid to Challenge Kohl

Continued from Page 1

with Tony Blair of Britain against Mr. Kohl, whom critics assail as being tired and lacking in inspiration.

From this result it is clear that the voters want a change in the politics of Bonn," Mr. Schroeder said. The outcome of the September vote, he said, would be fought on the central question of the "modernization of the economy, society and the state."

The ballot represented a

huge setback on two counts for Chancellor Kohl, longer than any other postwar German leader and led Europe into a new millennium united in large part by a single currency, the euro.

Mr. Kohl can only hope that, as in the last federal vote four years ago, that his popularity will resurge as the campaign unfolds. But the

voters Sunday will almost certainly strengthen dissident voices within the Christian Democrats demanding that Mr. Kohl, 67, step aside for his anointed successor,

Wolfgang Schaeuble, before the national election in September.

The result was also a setback for the left wing of the Social Democrats, represented by Mr. Lafontaine, who would replace Mr. Schroeder as state premier here if he were to become chancellor.

Second, and more worrisome for Christian Democrat strategists, Mr. Schroeder's candidacy promised a far harder fight would a candidacy of Mr. Lafontaine, who lost badly to Mr. Kohl in national elections eight years ago and who has less of the charisma and popular touch of Mr. Schroeder.

In the September vote, Mr. Kohl will be campaigning for his fifth successive term and a place in history as the German leader who oversaw Germany's reunification, served

popular single politician in Germany into a victory in September.

"There will be no conflicts between us," Mr. Schroeder said Sunday night.

One issue that remained unresolved by early results was whether the Social Democrats had garnered sufficient support to rule alone in Lower Saxony or in coalition with the environmental Greens.

Under Germany's voting rules, that depends on whether the Free Democrats — Mr. Kohl's junior coalition partner — secure the necessary 5 percent of the vote to enter the state assembly.

In early estimates, the Free Democrats hovered around the 3 percent mark. Some estimates, however, showed the Social Democrats securing enough of the vote to rule alone, with the Free Democrats falling below the 5 percent mark. That result, too, has nationwide implications since Mr. Kohl depends on the Free Democrats for his current parliamentary majority, while the Social Democrats had been bracing for the possibility of an unruly coalition with the Greens if the Free Democrats crossed the 5 percent hurdle.

## SCHAEBLE: Germany's Next Chancellor?

Continued from Page 1

cial Democratic Party in September, it would furnish the chancellor of a right-left coalition — a job Mr. Kohl swears he would never take.

Without any pushing, Mr. Kohl then would be expected to step down and hand the job to Mr. Schaeuble, his loyal friend of 25 years. Presiding over a record 16-year Bundestag majority, Mr. Kohl Paralyzed below the waist after an assassination attempt in 1990, Mr. Schaeuble's use of a wheelchair has proven far less a handicap to him than Bonn's slow-moving system of consensus politics. That system last year allowed interest groups and opposition politicians to bury Mr. Schaeuble's plan to overhaul the economy with a radical reform of the tax system.

Opinion polls show that the Sept. 27 national election could be too tight for either Mr. Kohl's conservatives or the Social Democratic Party to declare a clear-cut victory.

Mr. Kohl's Christian Democratic Party and its Bavarian sister party, the Christian Social Union, might find themselves lacking a majority if their struggling junior coalition partner, the Free Democratic Party, fails to return to Parliament or returns without a strong margin.

On the left, the opposition Social Democrats similarly could face trouble building an alliance with their preferred partners in the environmental Green Party. A red-green alliance might need the former Communist Party of Eastern Germany, the Party of Democratic Socialism, to build a majority in the Bundestag, pollsters predict.

But any alliance with the reformed Communists would be anathema to many Social Democratic politicians in Western Germany.

The last remaining option would be a potentially unwieldy "grand coalition" that spans the spectrum of Social and Christian Democrats.

And if Mr. Kohl's party ekes out a small lead over the So-

cial Democratic Party in September, it would furnish the chancellor of a right-left coalition — a job Mr. Kohl swears he would never take.

Without any pushing, Mr. Kohl then would be expected to step down and hand the job to Mr. Schaeuble, his loyal friend of 25 years. Presiding over a record 16-year Bundestag majority, Mr. Kohl Paralyzed below the waist after an assassination attempt in 1990, Mr. Schaeuble's use of a wheelchair has proven far less a handicap to him than Bonn's slow-moving system of consensus politics. That system last year allowed interest groups and opposition politicians to bury Mr. Schaeuble's plan to overhaul the economy with a radical reform of the tax system.

Opinion polls show that the Sept. 27 national election could be too tight for either Mr. Kohl's conservatives or the Social Democratic Party to declare a clear-cut victory.

Mr. Kohl's Christian Democratic Party and its Bavarian sister party, the Christian Social Union, might find themselves lacking a majority if their struggling junior coalition partner, the Free Democratic Party, fails to return to Parliament or returns without a strong margin.

On the left, the opposition Social Democrats similarly could face trouble building an alliance with their preferred partners in the environmental Green Party. A red-green alliance might need the former Communist Party of Eastern Germany, the Party of Democratic Socialism, to build a majority in the Bundestag, pollsters predict.

But any alliance with the reformed Communists would be anathema to many Social Democratic politicians in Western Germany.

The last remaining option would be a potentially unwieldy "grand coalition" that spans the spectrum of Social and Christian Democrats.

And if Mr. Kohl's party ekes out a small lead over the So-

Contract Food and Management Services - Remote Site Management - Service Vouchers and Cards - Leisure Services

## Successful Growth and Favorable Outlook.

Excerpts from Chairman Pierre Bellon's address to the Annual Meeting of Shareholders, February 24, 1998

### 1996/1997 FINANCIAL HIGHLIGHTS

Over the year, consolidated sales increased by 18 percent to FRF 29.5 billion, broken down as follows:

- Organic growth ..... 7 percent
- Acquisitions ..... 10 percent
- Currency effect ..... 10 percent

Operating margin widened to 4.7 from 4.5 percent, continuing the steady growth trend of the past five years.

Group share of Consolidated net income totaled FRF 540 million, a 34 percent increase from the previous year's Group share of consolidated net income before non-recurring items. At constant exchange rates, the increase came to 29 percent.

### RECENT DEVELOPMENTS

Last September 30, Sodexo Alliance and Marriott International, Inc. agreed to combine their Food and Management Services businesses in the United States and Canada in a new company known as Sodexo Marriott Services, Inc. To finance the transaction, we increased our capital by FRF 2 billion in November by issuing 855,770 new shares at a price of FRF 2,400 per share. Shareholders responded very positively to the issue.

Sodexo Marriott Services, Inc. will be North America's leading provider of Food and Management Services, with more than 4,800 operating accounts, FRF 24 billion in sales and 100,000 associates. Its share will be listed on the New York Stock Exchange.

The merger is taking place in a positive environment and should be completed at the end of March.

Separately, on October 31, Sodexo-Gardner Merchant acquired Marriott International's Food and Management Services business in the United Kingdom.

### OUTLOOK

The creation of Sodexo Marriott Services, Inc. represents an exceptional opportunity for our Company. Although we led the Food and Management Services market in Europe and the rest of the world prior to the merger, we ranked only fourth in North America, far behind the market leader. With Sodexo Marriott Services, Inc., we will be number one in North America, thereby strengthening our global leadership.

\* Once again, Sodexo Alliance has gained new scope and depth.

Over a full year, i.e., in fiscal year 1998/1999, we will have around FRF 56.5 billion in sales, more than FRF 3 billion in operating profit and more than 210,000 associates. In five years, we have multiplied sales by five, operating profit by nine and the number of associates by four.

\* We have also changed our profile, with Food and Management Services accounting for a larger share of our revenue stream. In 2000, this business will generate more than 90 percent of our sales and around 85 percent of operating profit. In addition, we are becoming increasingly international. In 2000, more than 85 percent of our sales will be made outside France.

\* Our debt has increased, limiting our ability to make new acquisitions.

After three years of alliances and major acquisitions - Gardner Merchant, Partena, Sodexo Marriott Services, Inc., Sodexo Alliance will now enter a phase of consolidation. During this period, we will focus on developing internal synergy and enhancing organic growth :

\* Synergy will be created through the cross-fertilization of skills and the development of economies of scale in the country operations, with the support of our global network. To do this, we will reduce purchasing costs, optimize restaurant working methods, negotiate international agreements with global suppliers, rationalize management structures, redeploy sales forces, forge agreements with global customers, eliminate redundant development costs, optimize new product and service development resources, and share IT development and training expenses. Throughout our corporate community, we will expand efforts to share and spread innovative ideas, management methods and quality programs.

\* All our businesses enjoy strong potential for growth, especially Food and Management Services. We need to focus on organic growth, whose return on investment exceeds 50 percent. In-depth strategic studies undertaken in France, Italy, the US and the UK are helping us to increase sales and earnings faster. They are also providing methodologies that will be transferred to other countries. Thanks to steady predictable growth in cash flow, we will recover our full investment capacity in a little more than three years and be able to make new acquisitions.

\* The current year will be one of transition.

Based on currently available data and in light of the capital increase, earnings per share should increase by approximately six percent in fiscal year 1997/1998. Over the next three fiscal years, earnings per share, after amortization of goodwill, are expected to grow by an average 20 percent a year.

Since our Company was founded in 1966, it has grown into an international enterprise, but its strategic mission has remained the same:

\* First, to continuously improve client and customer satisfaction. This means listening carefully to their needs, diversifying our food services, developing a comprehensive offering of other services, and pursuing our strategic commitment to quality and innovation.

\* Second, to develop our human capital. We encourage the emergence of entrepreneurs by decentralizing decision making and responsibility. We instill a corporate culture in that recognizes individual performance at all levels. We want all our team members around the world to take pride in belonging to the Sodexo Alliance community.

\* Third, to meet the expectations of our shareholders. This means increasing earnings per share, keeping you informed and, to the extent possible, getting you involved in the ongoing development of your Company.

I am convinced that the mutual bond of loyalty and trust between our customers, our employees and our shareholders will secure our sustainable development long into the future.

In today's global marketplace, we derive important competitive advantage from our independence, our global reach, the quality of our teams, and our excellent financial position. As you can see, our outlook is favorable.

On behalf of the Board and ourselves, I would like to thank all of our many associates, whose professionalism, dedication and efficiency are each day helping to ensure Sodexo Alliance's success around the world.

## INTERNATIONAL

## Run-Down Installations Hamper Iraq in Pumping UN-Allowed Oil

By Youssef M. Ibrahim

New York Times Service

BAGHDAD — Iraq's oil production system has deteriorated so badly during the years of economic sanctions that it cannot take full advantage of a recent UN Security Council resolution allowing Baghdad to more than double its oil sales, Iraqi officials and independent experts say.

At a news conference Saturday, Oil Minister Amir Mohammed Rasheed affirmed that point, saying that Iraq could export no more than \$4 billion worth of oil over six months, unless sanctions were eased to allow Iraq to buy new equipment.

The sanctions were imposed by the United Nations after Iraq's invasion of Kuwait in 1990, and are to remain in place until Iraq is found to be in full compliance with terms ending the 1991 Gulf War.

The central issue is the destruction of Iraq's major weapon systems.

On Feb. 20, the Security Council raised the

ceiling on Iraqi oil exports to \$5.2 billion over six months, from \$2 billion, in part to allow Baghdad to earn money for imports of food and medicines.

One-third of the money from oil exports is earmarked for war reparations to Kuwait and others; another share pays for UN administrative expenses in carrying out the sanctions; the rest goes to buy food, medicine and other relief supplies.

At current international prices for Iraqi crude oil, Iraq could export nearly 3 million barrels a day to meet the new level authorized by the Security Council. But the poor condition of its oil infrastructure does not allow it to pump anywhere near that.

Dilapidated equipment and severe shortages of spare parts mean that Iraq would need \$800 million of repairs just to bring its production system up to minimal standards, experts say. And that would take at least a year.

In fact, although Mr. Rasheed said Iraq now produces 2.4 million barrels a day, actual production is closer to 1.8 million barrels on

most days, several independent experts said.

Of that total, Iraq consumes about 500,000 barrels domestically, and sells 100,000 to Jordan at one-third market prices in return for keeping the Jordanian border open. This leaves little oil for Iraq to sell abroad at market prices.

Compounding the problem has been the decline in the price for Iraqi oil, from \$20 a barrel a few months ago to \$1.50 now. Mr. Rasheed said this meant Iraq would have to export 2 million barrels a day to earn \$4 billion in six months, and 2.75 million barrels to bring in \$5.2 billion.

Commenting on the latest Security Council resolution, the oil minister said: "Iraq has not rejected the resolution and it has acted positively toward it. However, we have emphasized that we cannot export quantities more than what amounts to \$4 billion during six months because of the production limitation, and the deterioration of prices and the oil market."

Oil experts say the new ceiling is unattainable because the hundreds of millions of dollars needed to repair the Iraqi oil industry must be authorized by the United Nations sanctions committee.

Iraq complains that the committee is controlled by the United States, which may well block such requests.

In an interview last week with the French newspaper *Liberation*, Thierry Desmarest, chairman of the multinational Total oil conglomerate, said the UN decision was meaningless unless the Security Council eased its sanctions. "If we don't allow Iraq to import parts to operate their oil installations, it doesn't help them just to authorize more oil exports," he said.

Thus, Iraq cannot count on higher exports to increase the supply of food and medicine for its 22 million people, government officials and oil experts say.

The new resolution, backed by the United States, has angered some Iraqi officials, who dismiss it as a public relations play intended to embarrass Iraq.

Indeed, Iraq had warned the Security Council that it would not be able to export as much oil as the resolution allows unless it was permitted to import parts to fix its facilities.

Deputy Prime Minister Tariq Aziz wrote to the

UN secretary-general, Kofi Annan, on Feb. 15, that the best Iraq could do would be to produce up to \$4 billion worth of oil over six months, or about 1.9 million barrels a day for both domestic use and for exports.

Industry experts said even that was optimistic.

President Bill Clinton and the State Department have said the higher export ceiling was meant to alleviate the suffering of the Iraqi people under the sanctions. But Iraq says that in light of Washington's previous resistance to raising the ceiling, the new resolution was meant only to deflect some of the criticism that was building over Washington's threats to attack Iraq.

"There is a serious question of how much more oil can Iraq pump," said Peter Gignoux, international energy director for Smith Barney in London.

"Can Iraq go back to its levels of 1990, when it produced well over 3 million barrels every day? The answer to that, at this stage, is absolutely not, certainly not without major investments, which the United Nations will have to authorize."

## IRAQ: Misgivings Were Rife

Continued from Page 1

The president's senior advisers uniformly insist that Mr. Clinton did not waver from his decision to launch the largest military operation of his presidency if Saddam Hussein failed to halt obstruction of inspectors from the UN Special Commission. But several advisers said Mr. Clinton's foreboding grew as he focused on the costs and risks of a bombing campaign. Those drawbacks helped form the context in which he agreed to embrace the mission to Baghdad last month by the UN secretary-general, Kofi Annan.

Mr. Clinton "was concerned about civilians, all the time," said an adviser who took part in the administration's highest-level talks.

Others saw signs of a harsh backlash in the Arab and Muslim worlds. What a top official called a "David and Goliath dynamic" of sympathy for Iraq raised the prospect that American bombing might accelerate the decline of international support for the economic sanctions that have cost Iraq \$110 billion in the past seven years.

The military preparations, drawn from the broad menu of the U.S. Central Command's "Operations Plan 1003," had settled months before on some form of aerial bombardment. In three successive military plans presented to Mr. Clinton over three months, the scope and number of targets continued to grow. But over the same period, policymakers had difficulty reconciling the limits of military force and their range of objectives, and occasional trouble articulating their goals. Alternatives were raised, dismissed and raised again in a process.

The Pentagon also prepared plans for two alternative ground offensives, one of them code-named Desert Scorpion. The first was a drive to command the strategic port and oil fields of the southern city of Basra, much as the 24th Infantry Division (Mechanized) had done at the close of the 1991 Gulf War. The second was a full-scale "march on Baghdad" involving 200,000 to 250,000 troops.

Those ideas, developed in part because Mrs. Albright asked in November about the feasibility of unseating Mr. Saddam, attracted no support among the president's advisers.

But Mr. Clinton sent several thousand ground troops to reinforce Kuwait after Iraq shifted five mechanized and armored divisions, one of them from the Republican Guard, in January. Some officials said they saw a ground attack as an option should Iraq "drop an anthrax bomb on Tel Aviv," as an official put it, or take another step deemed to grievously escalate the war.

It did not come to that. With Mr. Annan's mission declared a success, the U.S. Central Command in Tampa dissolved, on Friday, the crisis action team that had waited around the clock for launching orders. But an air and sea armada remains in the Gulf, with 30,000 U.S. troops, and policymakers just emerging from the dilemmas of the suspended confrontation with Iraq are looking ahead already to the near-certainty of another.

The first signs of the crisis came last summer when Iraq began positioning air defenses in new patterns capable of threatening the American U-2 reconnaissance planes. Months before Iraq started public warnings to inspectors, U.S. analysts concluded that Baghdad was preparing to shoot down one of the high-flying surveillance craft. Defense Secretary William Cohen sped the deployment of the Nimzit carrier battle group to the Gulf on Oct. 1 to deter and, if necessary, punish such an attack.

By Oct. 29, Iraq had made clear its intention to escalate its harassment of UN inspection teams. The government announced the expulsion of all American inspectors, and Richard Butler, chairman of the United Nations Special Commission, known as Unscom, said he would suspend inspections until all the Americans were allowed to take part.



Over Humphrey/The Associated Press  
MARCH'S LIONLIKE START — A family dragging sleds Sunday in a snowy Newcastle, England.

Though well aware of what they called the world's "sanctions fatigue," American diplomats were stunned by the indifference of the UN Security Council to Mr. Saddam's open challenge. The five permanent members managed to agree on only the mildest response: travel restrictions on Iraqi weapons scientists who, in any case, never leave the country.

The U.S. national security adviser, Sandy Berger, convened a meeting of Mr. Clinton's cabinet-rank foreign policy team, the so-called principals committee, on Nov. 8. Of the dozen or so advisers present, none dissented from the view that Mr. Clinton had to take firm action or risk the collapse of the inspection-and-sanctions regime that constrained Iraq's rearmament since the end of the Gulf War.

"You have to make the last decision first," Mr. Berger told the president, according to two participants in the meeting.

"Are you prepared to use military force? If you stare that in the eye and say yes, then we can commence a diplomatic campaign to make the need for it less likely."

General Henry Shelton, chairman of the Joint Chiefs of Staff, briefed the president on the first of three formal strike plans developed at intervals during the debate. It relied largely on cruise missiles and was conceived mostly in punitive terms. Already the plan, a civilian official said, was substantially broader than previous raids in 1995 and 1996 that the administration, like its critics, had come to regard as "pinpricks that were counterproductive" to derailing Mr. Saddam.

Two days later, officials said Mr. Clinton met with Mr. Berger privately and said, "Let's go forward."

That became the central gamble of the government's Iraq policy in the ensuing months: that a convincing show of military strength would reverse Mr. Saddam's defiance.

Mr. Clinton's advisers came to disagree fundamentally on the gamble's likely outcome. Mr. Berger, Mrs. Albright and Undersecretary of State Thomas Pickering predicted that Mr. Saddam would fold, and there were analysts in the Defense Intelligence Agency and Central Intelligence Agency who concurred. Mr. Cohen and the bulk of the top uniformed military leadership supposed otherwise, expecting that they would have to go through with the threat to use force.

Everyone understood, the administration's spokesmen emphasized in inter-

views, that the threat could not be a bluff. "You don't wave a lot of aircraft around, if you're a great power, for show," said one of Mr. Clinton's principal advisers. "You have to have a

quickly became clear, however, how many decisions still lay before the president. He had crossed the threshold on the use of force, but had yet to determine the military objectives or shape of the campaign.

In the next weeks and months, the purposes of the growing U.S. military force would evolve from a demonstration of resolve, to coercion of Mr. Saddam, to denial of his capacity to build nuclear, biological and chemical weapons. In the end, convinced that none of those goals was attainable, the Clinton team settled on doing "significant damage" to Iraq's nonconventional weapons and the conventional forces most threatening to its neighbors.

The president's senior advisers insist that he did not waver from his decision to launch a big military operation. But several said his foreboding grew as he focused on the costs and risks.

The president's senior advisers insist that he did not waver from his decision to launch a big military operation. But several said his foreboding grew as he focused on the costs and risks.

The military was so sensitive about the possible impact of civilian casualties that planners presented to the president estimates of the number of deaths that might result from hitting each of the proposed targets. "If the target was in such a place that it would result in the deaths of a large number of civilians, then we did not recommend it," General Shelton said.

On Nov. 14, Mr. Cohen ordered the George Washington battle group to join the Nimzit. Together, including surface ships and submarines, they had more than the 288 Tomahawk cruise missiles fired in the Gulf War.

Mr. Cohen, meanwhile, was arguing that a true U.S. vital interest — and one that could easily be explained in public — was Iraqi weapons of mass destruction. But attempting to use massive force to stop the proliferation of weapons was seen by some in the military as a new mission with inherent obstacles. A senior defense civilian said "it took a lot of explanation by the military" to persuade the White House and State Department of those limits.

At the same time, the Russian foreign minister, Yevgeni Primakov, was working to ward off a military clash with Mr. Saddam. On Nov. 20, at a meeting in Geneva with Mrs. Albright and their French and British counterparts, he announced Iraq's consent for all Unscom inspectors to return.

Within days, however, the deal began to unravel. By Dec. 12, Iraq announced a ban on access to an undisclosed number

of "presidential sites" and sharp restrictions on other places deemed "sensitive" by the regime.

By late December, General Shelton had brought a major revision of the military plan to Mr. Clinton. This one involved far more strike aircraft, in addition to cruise missiles, and the target set was broadened to include a wide range of nonconventional weapons and "dual use" targets.

Mr. Cohen began pressing to launch that strike before the Muslim holy month of Ramadan started at the end of December. At meetings of the principals committee in December, he told his cabinet colleagues that the credibility of the U.S. threat was now on the line.

Mr. Berger and Mrs. Albright responded that there was not enough time to prepare the American public, Congress and allies, and both thought an effort to raise the volume of the threat might yet change Iraq's behavior.

That began a period, a senior official said, of dragging things out to past Ramadan.

On Jan. 12, 1998, the permanent five ambassadors in the Security Council on Feb. 11, the U.S. chief delegate, Bill Richardson, rejected the idea of an trip by Mr. Annan.

"You can't go," Mr. Richardson told the secretary-general in a private meeting. "You can't box us in."

Everyone around the president understood that a trip by Mr. Annan would break the momentum toward war, and supporters of the "hard option," as some called it, instead preferred a "five minutes before midnight" ultimatum from the United States.

But although polls showed strong public support for unilateral action, the administration was chastened by uncertain backing in Congress and a possible foreshadowing of a divisive debate provided during a tumultuous "town meeting" with top advisers in Columbus, Ohio.

Deputy Defense Secretary John Hamre said last week that "most people were relieved" that they did not have to carry out the military strike. But like nearly every official interviewed, he said he was "not optimistic" that the new deal with Iraq would hold up very long.

And what strikes many of the president's advisers is that the next round with Mr. Saddam will begin exactly where the last one left off: another probe, another threat, another struggle to channel domestic and international support for military force.

The threat of force was no bluff for the Americans, but for France that was not as clear. "When we said all options are open," a French official said later, "that doesn't mean we would have associated ourselves with an actual military strike."

The French government had known for some time that Iraq was most concerned about protecting eight presidential sites, and the French diplomacy was intended to fashion special rules for inspections there.

U.S. intelligence had assessed that Iraq was hiding several dozen Al Hussein missiles, a few of the longer range Al Abbas missiles, and substantial stocks of anthrax, botulinum and nerve agents such as VX. But the illegal weapons, U.S. analysts concluded, were not actually in the presidential sites. The Clinton administration and Unscom wanted to ensure primarily that the eight sites could not become sanctuaries for contraband shifted in a "shell game" from other hiding places.

By the first week of February, France perceived what an official called an "internal machine" — the threat Paris supported was about to become the war it did not want. To avert war, Paris promoted a trip to Baghdad by Mr. Annan to work out a compromise on the eight special sites.

Mr. Clinton's team was skeptical, and in a meeting Feb. 6 the principals decided to shift from the threat to final preparations to the actual use of force. When Mr. Annan met the permanent five ambassadors in the Security Council on Feb. 11, the U.S. chief delegate, Bill Richardson, rejected the idea of an trip by Mr. Annan.

"You can't go," Mr. Richardson told the secretary-general in a private meeting. "You can't box us in."

Everyone around the president understood that a trip by Mr. Annan would break the momentum toward war, and supporters of the "hard option," as some called it, instead preferred a "five minutes before midnight" ultimatum from the United States.

But although polls showed strong public support for unilateral action, the administration was chastened by uncertain backing in Congress and a possible foreshadowing of a divisive debate provided during a tumultuous "town meeting" with top advisers in Columbus, Ohio.

Deputy Defense Secretary John Hamre said last week that "most people were relieved" that they did not have to carry out the military strike. But like nearly every official interviewed, he said he was "not optimistic" that the new deal with Iraq would hold up very long.

And what strikes many of the president's advisers is that the next round with Mr. Saddam will begin exactly where the last one left off: another probe, another threat, another struggle to channel domestic and international support for military force.

"God knows what's going to happen," said a high-ranking administration official. "That's our position."

## Patten Assails Murdoch Over Book Refusal

Agence France-Presse

LONDON — The former governor of Hong Kong, Chris Patten, has accused the publishing magnate Rupert Murdoch of adopting double standards in the increasingly bitter feud over the decision by one of Mr. Murdoch's companies not to publish Mr. Patten's book.

HarperCollins, which is owned by Mr. Murdoch, abandoned the "East and West" book project after paying Mr. Patten a £125,000 (\$200,000) advance, reportedly because it criticized the Chinese regime. Mr. Patten is now suing for breach of contract.

In his first comments on the affair, Mr. Patten told The Sunday Telegraph from his home in France. "I don't see how you can be in favor of free speech in one part of the world and less keen on it in another." He was alluding to the campaign by Murdoch-owned newspapers in Britain against any tightening of the privacy laws there.

Mr. Patten said it had never occurred to him "that Mr. Murdoch's business links with China could be a factor in this."

He denied any personal animosity toward Mr. Murdoch and said that the two occasions on which they had met "were significantly unmemorable enough for me not to be able to recall exactly what was said."

In the literary and political worlds, authors are taking sides on the issue. Former Prime Minister John Major, who has a contract with HarperCollins for his memoirs, has said he will not leave the publisher. Other authors, including Doris Lessing and Fay Weldon, have expressed reservations about remaining with the company.

HarperCollins is said to be concerned that its long-awaited biography of Mao by Jung Chang, the author of "Wild Swans," could fall foul of Mr. Murdoch, The Observer newspaper reported.

Stuart Proffitt, the HarperCollins editor in chief who was Mr. Patten's editor, has left the company and has indicated that he may sue for constructive dismissal, The Sunday Times reported.

In an affidavit, he has accused the publishers of trying to make him tell lies about the reason for refusing the book.

## Diana Crash Survivor Regaining Memory

Reuters

LONDON — The bodyguard who survived the Paris car crash that killed Diana, Princess of Wales, has remembered more details of what happened and plans to tell them to French investigators.



## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Don't Enlarge NATO

With Washington preoccupied by other events, the Senate is rapidly moving toward a momentous decision on NATO expansion. Though the issue has stirred little passion outside the foreign policy fraternity, the eastward extension of NATO ought to concern every American because it may damage the country's paramount security interests for decades to come.

There is still time for the Senate to weigh these risks and to reject a plan that is likely to undermine the very goals the White House insists it will achieve, including the advancement of democracy and unity in Europe.

Redrawing the map of Europe does not happen every day. When it has been tried over the centuries, by treaty or force of arms, it has often led to devastating conflict. In promoting NATO membership now for Poland, Hungary and the Czech Republic, and in creating an expectation of future invitations for other Eastern European nations, the Clinton administration is betting that several potentially harmful situations will not result.

That is a bet the country should not make, especially when the potential gains of expansion are so slight. The clearest danger zone is Russia's relationship with Europe. The political, economic and military stability of the continent depends heavily on whether Russia completes its transition to democracy and a market economy. Any move that impedes or reverses that transformation is clearly not in European or American interests.

Yet that is precisely what NATO expansion may do. For the moment, Boris Yeltsin has grudgingly accepted NATO growth as the price Moscow must pay for harmony with the West and the financial assistance that comes with it.

But Bill Clinton and his aides mistake Mr. Yeltsin's acquiescence for permanent Russian acceptance. His successors may well prove less cooperative. In Russia's volatile political environment, NATO expansion could easily be exploited by nationalist forces intent on diminishing democracy and chilling relations with the West.

Even under Mr. Yeltsin the prospect of expansion has taken a heavy toll. A

vital treaty to reduce nuclear arms is stalled in Parliament.

With NATO forces likely to move hundreds of miles closer to its border, Russia has already placed greater reliance on its nuclear weapons as a first line of defense. Relations with Washington are deteriorating across a range of issues, from the handling of Iraq to the management of Russia's nuclear materials.

In exchange for these serious consequences, NATO expansion would bring no discernible gain. East-West divisions are evaporating and free markets are spreading. An increasingly democratic Russia poses no threat to its neighbors. This is not a picture that cries out for enlarging a military alliance whose core purpose, defense against the Soviet bloc, is obsolete. Even a majority of citizens in the Czech Republic see no need to join NATO.

It remains a mystery why absorption in the European Union is not the preferred way to promote unity and prosperity in Europe. It would do so in a way that embraces rather than excludes Russia. There will be ample time in the future to plant the North Atlantic Treaty Organization flag farther east if Russia should turn threatening again.

Then there is the financial expense of expansion. The Pentagon recently came up with a new estimate of the cost: \$1.5 billion over 10 years. The number is laughable, clearly cooked to reassure the Senate as it approaches a vote. Only a few months ago the Pentagon calculated the cost could run as high as \$35 billion over 13 years. Two years ago the Congressional Budget Office estimated the price tag might be as high as \$125 billion over 15 years.

In giving the Senate the power to review and amend treaties, the U.S. Constitution expects more of the Senate than it is delivering on NATO.

There must be a serious, sustained debate about enlargement, not the rush to approval that the White House would prefer.

The 50th anniversary of NATO's birth in 1999, Washington's deadline for installing new members, is hardly a compelling reason to force a decision that the country is likely to regret well into the next century.

—THE NEW YORK TIMES

## Mexico's Drug Problem

The Clinton administration does not favor to Mexico or its own credibility by certifying that Mexico is "fully cooperating" in the fight against drug trafficking. Compounding the damage, the White House drug policy director, Barry McCaffrey, famously claims that Mexican cooperation is "absolutely superlative."

A more truthful assessment can be found in the Drug Enforcement Administration's confidential evaluation, described by Tim Golden in Friday's *New York Times*. The DEA concludes that "the government of Mexico has not accomplished its counter-narcotics goals or succeeded in cooperation with the United States government." Mexican trafficking has increased, the DEA notes, and the corruption of its enforcement agencies "continues unabated."

Though Washington finds it diplomatically inconvenient to acknowledge, Mexico has a chronic problem with drug traffickers who always seem able to secure the political influence they need to avoid arrest and prosecution. This drug corruption greases the flow of narcotics into the United States. Mexico's drug networks span the border, supplying cocaine, heroin and marijuana to American users.

Mexico must face up honestly to its drug corruption problem as it tries to create a more democratic and accountable political system.

The most flagrant abuses come from corrupt military and police officials who take payoffs to protect one set of traffickers at the expense of their rivals.

President Ernesto Zedillo's government has made efforts to reform drug enforcement, but with little visible result. Mr. Zedillo has not moved aggressively enough to clean up civilian police agencies and has relied too heavily on military officials, exposing them to the same temptations that led the civilians astray. A more vigorous cleanup might force a showdown with corrupt elements of Mr. Zedillo's Institutional Revolutionary Party, which would benefit Mexican democracy.

Meanwhile, it is misleading for Washington to assert that Mexico is

—THE NEW YORK TIMES

## Other Comment

## Overhauling Britain

Britain has embarked on the most ambitious overhaul of its political institutions in more than a century. Almost everything is up for grabs: regional devolution, the electoral system, the makeup of Parliament's second chamber, the rights of citizens and the role of the judiciary.

Not everything will be done; some reforms may prove half-baked, and the paradox is that such efforts to limit and codify the powers of the state are being made by a Labour government which in other respects is widely considered rather bossy.

Yet the most remarkable thing of all is that the party which has stood, traditionally, for restraining the powers of the state is now implacably opposed to any and all reform. Indeed, the Conservative Party, the nation's official opposition, has almost nothing useful to say about what amounts to a revolution in the way Britain will be governed.

—The Economist (London).

## American Power and an Envious, Angry World

By Thomas L. Friedman

**W**ASHINGTON — Saddam Hussein is a recurring figure in Middle East history — the local despot who upsets the regional order by being too rapacious at home and abroad. But while you cannot understand what's happening in this Iraq crisis without reference to some of the region's oldest political patterns, you also cannot understand it without reference to some more modern political trends — namely U.S. hegemony after the Cold War and globalization.

It is only when you combine the medieval with the postmodern that you can fully grasp this Iraq story. Let's start with the question of why the United States has virtually no allies against Iraq. There are a number of reasons, but surely a critical one is that America today stands astride the world with so much superior economic, technological and military power that it breeds two important reactions: resentment and complacency.

What does it feel like to be the United States today? It's not "the Great Satan" anymore. Iran says America is "the Capital of Global Arrogance." Well, guess what? That's what the French, the Russians, the Japanese, the Chinese and the Arabs also call America behind its back. There is a deep resentment brewing out there against the United States. Part of it is sheer envy of America's recent economic success.

Part is a feeling that America throws its weight around unfairly, particularly when it comes to Arabs and Israelis. And part of it is because Americanization, from Mickey Mouse to Microsoft, has become a powerful, tempting and frequently destabilizing force, challenging every traditional society.

France, Russia, China and the Arabs are not going to go to war with America because of its dominance; they just want to make sure we Americans don't get to enjoy it. France is so obsessed about being a second-rate economic and military power compared with the United States that it would rather see Saddam keep some poison gas than side with U.S. efforts to confront him. Saddam has shrewdly tapped into this mood, presenting himself as the Arab "little guy" standing up to the American bully.

The flip side of resentment is complacency. Why are the Saudis and the other Arabs, who live right next door to Iraq, so reluctant to cooperate with the

United States in confronting Saddam? In part it's because they assume that, as the world's overwhelming, sole superpower, the United States will feel compelled to confront Saddam whether the Arabs support America or not. So the Saudis say, "Why expose ourselves to retaliation from Iraq or anger from our own street when the Americans will take care of it free?"

Where globalization comes into the story is that it weaves together and diffuses revolutions in science, computing, miniaturization and telecommunications in a way that enables smaller and smaller groups and individuals — no matter where they live — to reach farther and farther around the world, faster and faster, cheaper and cheaper.

For those with good intentions, it empowers them to shape their own world or to participate in the global economy more than ever. But for those with bad intentions, or with antipathy to the United States, it empowers them to last out more forcefully than ever.

So from one direction American hegemony fuels envy, resentment and even hatred of the United States, and from another direction globalization empowers the haters — by making more easily available the means of mass

destruction and by wiring the world so that a small bomb in the right place can create anxiety for a billion people.

That is why the main threat to America today is not another hostile superpower. There is none, for now. The main threat to U.S. and global stability is the super-empowered individual — the super-empowered angry individual woman.

That is also why the proper analogy for the Iraq crisis is not Vietnam or Munich. It's the 1993 World Trade Center bombing, masterminded by Ramzi Yousef, the quintessential super-empowered angry man. Ramzi Yousef had no political program, or ideology, other than hating America and Israel.

Saddam is Ramzi Yousef with part of a country. That is, Saddam is something more than the leader of a terrorist band but something less than the leader of a unified state. That's why confronting and disempowering him is both difficult and finally necessary. Saddam may be a 13th-century tyrant, but he is the epitome of the 21st-century threat. The good news is that Saddam Hussein can't be a superpower. But the bad news is that, in today's world, a lot of people can be Saddam Hussein.

The New York Times

## U.S. Will Hit Hard If Saddam Reneges on Agreement

By Samuel R. Berger

The writer is President Clinton's national security adviser.

destruction threat and its ability to strike its neighbors.

He sent Secretaries Madeleine Albright and William Cohen and Ambassador Bill Richardson around the world, not to seek approval but to explain to others our position in unmistakable terms. As a result, Saddam knew that he would be hit, and hit hard, if he did not comply.

Backed by two American and two British aircraft carriers in the Gulf, UN Secretary-General Kofi Annan went to Baghdad. We had made clear to him that he would be hit, and hit hard, if he did not comply.

Backed by two American and two British aircraft carriers in the Gulf, UN Secretary-General Kofi Annan went to Baghdad. We had made clear to him that he would be hit, and hit hard, if he did not comply.

From the beginning of this crisis, the president has made clear that the best outcome for the international community was for Unscion inspectors to be given access to all locations in the country, including presidential sites and other security related installations from which they had been blocked.

Saddam unequivocally committed to the first. If he complies — and I offer no odds — it will be a significant step in the long process of disarming Iraq's weapons of mass destruction capability.

As for the second, clarifications provided in discussions between Mr. Annan and the determined chairman of Unscion, Richard Butler, have led Mr. Butler to conclude that Unscion will have operational control over all inspections and that the arrangements are "entirely satisfactory" to his organization.

The president also made crystal clear that if Saddam Hussein failed to let Unscion do its work, he would use overwhelming force to seriously diminish Iraq's weapons of mass

harmful up while you're at it), then lift sanctions (which deprive Saddam and his military machine of \$15 billion a year) and reintegrate him into the international community.

But given Saddam's record, there is good reason to believe that this approach — which fails to require him to demonstrate his "peaceful intentions" by complying with all UN resolutions — would simply allow him to rechristen his territorial ambitions.

Some here in the United States argue that our strategic objective should be to remove Saddam Hussein from power. There is no doubt that the Iraqi people would be better for it. We would gladly work with a successor regime that respects its neighbors and returns Iraq to its rightful place in the family of nations.

But this is also a course with substantial risks and costs. A military campaign to remove Saddam would require a major commitment of ground troops, risk large numbers of casualties and cost tens of billions of dollars. We would pursue it alone. Once we fought our way to Baghdad, it is unlikely Saddam would be waiting at the airport. I am convinced the costs — in blood, treasure and political isolation — are not justified.

Alternatively, we could seek to achieve that result by proxy — through support of Iraqi opposition groups. We have worked with the Iraqi opposition in the past and we can do so more effectively in the future.

But before we embrace loopy goals, we must be sure this time that we are prepared for the ride.

From Budapest in 1956 to the

Bay of Pigs in 1961 to postwar Iraq in 1991, we have learned the dangers of starting something we were not prepared to finish.

This discussion about strategic objectives is healthy. It forces us to challenge our thinking and assumptions. But unless we are prepared either to invade under current circumstances or to dismiss the threat, Saddam poses — two options I reject — Saddam will be with us for some time. In the meanwhile, we must maintain the resolve, alone if necessary, to prevent him from threatening the region — in other words, to contain him.

There are four pillars to this policy. Maintain sanctions. Continue to enforce a no-fly zone over the north and south of his country to reduce the threat Saddam poses to his neighbors and his people. Insist that Unscion be permitted to do its work without conditions. Be prepared to reinforce each of these undertakings with military force.

It also means permitting the Iraqi government to sell some of its oil to buy food and medicine for the Iraqi people under strict UN supervision. Starvation is not a card we wish to play, nor to permit Saddam to play against us.

That is the policy we are pursuing. For seven years it has held in check the Gulf's most disruptive and dangerous threat and helped maintain stability in a region vital to our national interest. But, as President Bill Clinton said last week, whether that continues to be our strategy will be affected in no small measure by whether this agreement is honored.

The Washington Post

## Despite Its Clout, China's Army Stays Out of Politics

By Ellis Joffe

This situation extends to national policy-making. Under Mao, policy-making was a one-man show; under Mr. Deng it was much more collegial, but he still had the stature to make major decisions.

Mr. Jiang will enjoy the military's support by virtue of his institutional position and newly woven political ties. But if he falters badly, the military might back him.

Such a switch was previously inconceivable. The military now has a greater capacity than ever before to influence the fate of the paramount leader, which makes him more amenable to the military's views.

The military is well placed to influence this process. It has leverage over a paramount leader who needs its support. It also has leverage over other top leaders, who, unlike their revolutionary-generation predecessors, do not have their own constituencies in the army dating back to the old days.

This influence is enhanced by the separation of the party and army organizations. Three powerful forces are at work:

First is the decline in importance of the Communist Party in the Chinese political system and its concurrent weakening in the armed forces.

Second is the modernization of the armed forces and the ascension of military professionals.

Third is the involvement of the military in economic pursuits and the consequent loosening of the party's grip on military units.

This separation has not meant the end of the army's subordination to party leadership, but it has given the military the freedom to conduct its affairs in accordance with professional imperatives.

There are people in the PLA that believe we could only kill all those Iraqi tanks because no one was in them. They think: "You use smart weapons too much, you have no stomach for fighting."

If, in the current crisis with Iraq, the Chinese mistake America's preference for smart diplomacy over smart bombs as a lack of national resolve, and if indeed top Chinese military leaders were unmoved by the overwhelming U.S. showing in 1991, one can only worry.

Mr. Muaven's informed melancholy is shared in Washington. A recent Pentagon study,

by the growing clout of economic bureaucracies and their leaders, increasingly a counterbalance to the military.

China's military has used its new capacity for political influence with restraint. Economic affairs have been left to economists, which suits both the military and civilian leaders.

In foreign affairs, the army has apparently limited its involvement to issues directly related to military concerns, such as Taiwan.

The Chinese military will continue to influence policy-making. But short of a major crisis, it will stay out of politics.

The writer, professor of Chinese studies at the Hebrew University of Jerusalem, contributed this comment to the International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: Spain's Liability

NEW YORK — It is now generally conceded that the Maine was blown up by external agencies. But it is just as well appreciated that it will be impossible to fasten the blame upon the Spanish government.

Second is the modernization of the armed forces and the ascension of military professionals.

Third is the involvement of the military in economic pursuits and the consequent loosening of the party's grip on military units.

This separation has not meant the end of the army's subordination to party leadership, but it has given the military the freedom to conduct its affairs in accordance with professional imperatives.

There are people in the PLA that believe we could only kill all those Iraqi tanks because no one was in them. They think: "You use smart weapons too much, you have no stomach for fighting."

If, in the current crisis with Iraq, the Chinese mistake America's preference for smart diplomacy over smart bombs as a lack of national resolve, and if indeed top Chinese military leaders were unmoved by the overwhelming U.S. showing in 1991, one can only worry.

Mr. Muaven's informed melancholy is shared in Washington. A recent Pentagon study,

reached the university they pealed the audience with leeks and flour. They also suppressed the organ recital and substituted the American duty "Sweet Hortense" for Wagner. Owing to ceaseless interruption, the former Premier considerably curtailed his address.

## 1948: Manchuria Lost

NANKING — Communist Commander Lin Piao's armies are rolling over the Nationalist salient in "industrial powerhouse" of Manchuria. Today [March 1], and neutral observers almost unanimously agreed that the position there is as good as lost. The Communist victory, considered the greatest since



## **U.S. MUTUAL FUNDS**

**Figures as of close  
of trading Friday, February 27**

Lycoris

# Mekong Gives Hope to Thailand

## *Indonesia Targets River Tourism and Trade*

## And Now, *EE*

# CURRENCY PA

SEI Portfolios:  $\Delta$  previous day's position;  $\Delta$  stock dividend or split  
 X = no cash dividend. -



## CAPITAL MARKETS ON MONDAY

## Fears of Deflation Persist Even as Stock Markets Shrug Off the Asian Crisis

By Carl Gewirtz  
*International Herald Tribune*

PARIS — Money talks. And the message from the record highs set last week in U.S. and European stock markets is that the crisis in East Asia has come and gone with amazingly little worldwide impact.

That message might even be correct. For most onlookers, the initial impact has been only favorable. The disruption in Asia has dramatically reduced demand for raw materials. The price of crude oil is down some 30 percent over the past six months, helped also by a mild winter. Industrial metals prices are also sliding. Moody's Investors Service Inc. reported that its metals price index was at a three-and-a-half-year low and 16.7 percent below its year-earlier level.

While bad news for nations belonging to the Organization of Petroleum Exporting Countries as well as such ex-

porters of primary products as Australia, the decline in commodity prices is great news for inflation watchers in the industrialized countries.

France, for example, reported that inflation in January rose a scant 0.5 percent from the previous year, the lowest monthly reading in 40 years — a contributing factor in sending the CAC-40 stock index to a record high.

Falling inflation pulls down market interest rates — long-term rates in all the major markets are flirting with modern lows — and the combination sends stock prices soaring. Not surprisingly, measures of consumer confidence are at near-record levels.

"There's a tendency to view weak energy and commodity prices as a kind of free gift," said John Lipsky of Chase Manhattan Bank in New York, "and to overlook the fact that prices are falling because global growth is weakening."

John Llewellyn of Lehman Brothers

in London said that it would be "obviously guesswork at this stage to estimate how big an effect the fall in demand in Asia will have on the rest of the world."

But Mr. Llewellyn predicted "a significant impact" on the industrialized countries, in which growth rates will fall well below what otherwise would have been expected. He also forecast "a substantial but not unhealthy slowdown."

Both experts said they expected the key U.S. interest rate set by the Federal Reserve Board to fall by at least half a percentage point from the current 5.5 percent.

Their predictions conflict with the view of the Fed chairman, Alan Greenspan, who reported to Congress last week that events in Asia were likely to restrain the need for a rise in interest rates.

"It's become fashionable to suggest that the worst of the Asian crisis is over," said John Makin, an economist at

the American Enterprise Institute, a conservative U.S. policy organization.

"The world economy may not have entered a deflationary crisis yet," he said, "but I have yet to see any evidence to contradict the idea that we are getting closer."

He said that there was much excess supply and that its deflationary consequences were being transmitted in a remarkably orderly way from Asia to the United States, Europe and Latin America.

Unaware of the urgency and fixated on the fear of inflation, he added, central banks are doing nothing to head off the approaching storm.

Meanwhile, the foreign-exchange market appears not to know which way to turn. Expectations are running high that the yen will weaken dramatically after April 1, the start of the new fiscal year in Japan. But almost daily rumors in Tokyo about impending government

spending programs — the latest rumored figure being 20 trillion yen (\$157.29 billion) — to stimulate activity are derided by non-Japanese analysts as flagrant government attempts to push the Nikkei stock index above 18,000.

At that level, unrealized profits on securities holdings would greatly assist the nation's banks in reporting adequate capital in their annual reports.

As a result, the dollar trades in a narrow range in Tokyo.

In Europe, the dollar is constrained by conflicting views over the direction of the next moves in U.S. and German interest rates.

Bond markets are also looking for direction. Activity in the international market was muted awaiting the outcome of two huge offerings that are expected to surface this week: up to \$5 billion in debt from the World Bank and another \$4 billion from Fannie Mae. If the World Bank issues 10-year bonds and the Fed-

eral National Mortgage Association sells three-year notes, bankers say there will be less conflict than if Fannie Mae opts for a five-year issue.

Last week, Greece sold \$1 billion worth of 10-year bonds through a global issue that underwriters said was easily placed in Europe. The bonds were offered at a spread of 132 basis points, or 1.32 percentage points, above comparably dated U.S. government paper.

Sony Corp. also made a global offering of \$1.5 billion in five-year notes that were mostly sold in the United States. Offered at a spread of 57 basis points over U.S. notes, the Sony paper ended the week trading at a spread of 53 basis points. Underwriters said demand exceeded \$2.5 billion.

In the high-yield market, the city-owned Moscow Telephone is expected to offer this week \$100 million worth of three-year notes carrying a coupon of more than 12 percent.

## Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Feb. 27. Prices supplied by Telekurs.

## Argentine Peso

216 Argentine FRN 2.96 04/01/07 93.98 3.16

## Austrian Schilling

157 Austria 4.3000/37/03 98.5500 4.2600  
178 Austria 5 01/15/08 99.7000 5.0700

## British Pound

115 Brazil Reais Hous 11.1269/30/50 10.40455 7.52  
131 Amsterdam 4 zero 12/07/22 19% 6.90  
144 Amsterdam 4 FRN 6.07 01/22/23 98.00 8.25  
177 Austria 4.3000/37/03 98.5500 4.2600  
210 World Bank 4.00 09/01/02 97.559 7.24  
248 Fannie Moews 6.76 06/07/02 101.125 6.80

## Danish Krone

12 Denmark 7 11/15/07 113.2200 6.1800  
21 Denmark 8 03/15/06 118.5100 6.7500  
32 Denmark 7 11/15/06 118.5100 6.8000  
41 Denmark 7 11/15/06 118.5100 6.8000  
42 Denmark 7 12/04/99 102.0200 5.8200  
51 Denmark 7 11/15/04 117.1000 5.9800  
56 Denmark 8 05/15/03 114.45 6.9500  
73 Denmark 8 11/15/04 117.1000 6.2500  
75 Denmark 8 11/15/04 117.1000 6.2500  
98 Denmark 6 11/15/02 105.2500 5.7000  
152 Nykredit 7 10/01/29 100.2000 6.9900

## Deutsche Mark

1 Germany 5% 01/04/08 101.4576 5.1600  
2 Germany 6 07/04/03 107.9000 5.5600  
3 Germany 5 11/12/02 102.1983 4.8900  
4 Germany 5.5% 01/04/03 113.0457 5.5700  
5 Germany 4% 01/04/02 100.3300 4.4200  
6 Germany 4% 01/04/02 100.3300 4.4200  
7 Germany 4% 01/04/02 100.3300 4.4200  
8 Germany 4% 01/04/02 100.3300 4.4200  
9 Germany 4% 01/04/02 100.3300 4.4200  
10 Germany 5% 01/04/02 102.2657 5.5200  
11 Germany 5% 01/04/02 102.2657 5.5200  
12 Germany 5% 01/04/02 102.2657 5.5200  
13 Germany 5% 01/04/02 102.2657 5.5200  
14 Germany 5% 01/04/02 105.0411 6.1900  
15 Germany 5% 01/04/02 105.0411 6.1900  
16 Germany 5% 01/04/02 110.2500 6.4000  
17 Germany 5% 01/04/02 110.2500 6.4000  
18 Germany 5% 01/04/02 110.2500 6.4000  
19 Germany 5% 01/04/02 110.2500 6.4000  
20 Germany 5% 01/04/02 111.1399 6.4100  
22 Germany 6% 01/04/02 110.6800 5.8700  
23 Germany 7% 01/04/02 110.4859 5.8700  
24 Germany 7% 01/04/02 110.4859 5.8700  
25 Germany 7% 01/04/02 110.4859 5.8700  
26 Germany 7% 01/04/02 110.4859 5.8700  
27 Germany 7% 01/04/02 110.4859 5.8700  
28 Germany 7% 01/04/02 110.4859 5.8700  
29 Germany 7% 01/04/02 110.4859 5.8700  
31 Germany 7% 01/04/02 110.4859 5.8700  
32 Germany 7% 01/04/02 110.4859 5.8700  
33 Germany 7% 01/04/02 110.4859 5.8700  
34 Germany 7% 01/04/02 110.4859 5.8700  
35 Germany 7% 01/04/02 110.4859 5.8700  
37 Treuhand 6% 05/13/04 111.1120 6.0700  
40 Germany 5% 02/21/01 103.9275 5.1000  
44 Germany 5% 02/21/01 103.9275 5.1000  
47 Germany 5% 02/21/01 103.9275 5.1000  
50 Treuhand 7% 12/02/02 109.3365 6.7500  
52 Germany 5% 05/15/03 100.9263 5.5600  
53 Germany 6% 06/20/02 108.4200 5.5300  
54 Germany 6% 06/20/02 108.4200 5.5300  
55 Germany 6% 06/20/02 108.4200 5.5300  
56 Germany 6% 06/20/02 108.4200 5.5300  
57 Germany 6% 06/20/02 108.4200 5.5300  
58 Germany 6% 06/20/02 108.4200 5.5300  
59 Germany 6% 06/20/02 108.4200 5.5300  
60 Germany 7% 04/17/01 99.6000 5.2700  
61 Germany 5% 01/25/91 100.4200 4.8200  
62 Germany 5% 01/25/91 100.4200 4.8200  
63 Germany 5% 01/25/91 100.4200 4.8200  
64 Germany 5% 01/25/91 100.4200 4.8200  
65 Germany 5% 01/25/91 100.4200 4.8200  
66 Germany 5% 01/25/91 100.4200 4.8200  
67 Germany 5% 01/25/91 100.4200 4.8200  
68 Germany 5% 01/25/91 100.4200 4.8200  
69 Germany 5% 01/25/91 100.4200 4.8200  
70 Germany 6% 07/13/03 106.7600 5.9600  
71 Germany 6% 07/13/03 106.7600 5.9600  
72 Treuhand 6% 07/09/03 106.7600 5.9600  
73 Germany 6% 07/13/03 106.7600 5.9600  
74 Germany 6% 07/13/03 106.7600 5.9600  
75 Germany 6% 07/13/03 106.7600 5.9600  
76 Germany 6% 07/13/03 106.7600 5.9600  
77 Germany 6% 07/13/03 106.7600 5.9600  
78 Germany 6% 07/13/03 106.7600 5.9600  
79 Germany 6% 11/20/01 101.5215 4.6800  
80 Germany 6% 02/16/02 107.4750 5.5700  
83 Argentina 11 02/26/02 103.2500 6.5100  
85 Treuhand 6% 11/12/03 106.5200 5.6100

## The Week Ahead: World Economic Calendar, March 2-6

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

## Asia-Pacific

Expected This Week

Kalgoorlie, Australia: Australian Gold Conference. Speakers include Robert Champion de Crespigny, executive chairman of Normandy Mining and Jack Thompson, president of Homestake Mining.

Monday March 2 Seoul: Ministry of Finance and Economy to report February consumer price index.

Tokyo: Bank of Japan to issue supply and demand data for money markets in February.

Tuesday March 3 Tokyo: Economic Planning Agency symposium on the Russian economy.

Wellington: ANZ Banking Group Ltd. to release report on January commodity prices.

Wednesday March 4 Tokyo: Bank of Japan to report average interest rates per annum for different types of deposits.

Annual meeting: Hyundai International Merchant Bank

Thursday March 5 Manila: National Statistics Office to issue February inflation estimate.

Tokyo: Economic Planning Agency to issue monthly economic report.

Bank of Japan to issue data on principal economic indicators of foreign countries.

Friday March 6 Tokyo: Bank of Japan to issue account balances as of Feb. 28; Federation of Bankers Association of Japan to issue data on bank deposits and lending for February.

Wellington: New Zealand tourism and migration figures for January.

## Europe

Stuttgart: Daimler-Benz symposium on corporate innovations. Thursday and Friday.

Reinbek, Germany: Hans-Juergen Krupp, a Bundesbank council member, and Eddie George, the governor of the Bank of England, speak at a reception to mark the 50th anniversary of the Bundesbank's branch in Hamburg.

Frankfurt: Gordon Brown, Britain's Chancellor of the Exchequer, speaks on Europe's response to global change.

Helsinki: Central Statistics Office to issue monthly unemployment report.

Budapest: Hungarian Central Statistical Office to issue preliminary industrial output figures for January.

Rome: The Bank of Italy to issue economic bulletin.

Stockholm: Statistics Sweden to issue January producer price data.

Rome: Istat to issue final consumer price data for February.

Stockholm: Statistics Sweden to issue February unemployment data.

Vienna: Central Statistics Office to issue February wholesale prices data.

## Americas

Boca Raton, Florida: U.S. Bond Market Association annual meeting. Thursday through Sunday.

Cancun, Mexico, and Havana: U.S. executives meet with top Cuban ministers and business officials at "U.S.-Cuba Business Summit." Wednesday through Friday.

Lima: Peru to issue consumer prices data for February.

Ottawa: Canada to issue December gross domestic product data.

Washington: Commerce Department to report personal income and spending for January.

Honolulu: Alan Greenspan, chairman of the Federal Reserve Board, to address the Independent Bankers Association of America.

Mexico City: Banco de Mexico to report the levels of the country's foreign reserves.

Ottawa: Canada to issue February foreign reserve data.

Las Vegas: Robert Parry, president of the Federal Reserve Bank of San Francisco, to address the 1998 Community Reinvestment Conference at Caesar's Palace.

New York: Salomon Smith Barney Inc.'s Latin American Bank Conference.

Washington: Commerce Department to report factory orders for January; Labor Department to release weekly unemployment claims.

Buenos Aires: Argentina's statistics department to issue trade data for January.

Washington: Labor Department to issue February wholesale prices data.

## Americas

Boca Raton, Florida: U.S. Bond Market Association annual meeting. Thursday through Sunday.

Cancun, Mexico, and Havana: U.S. executives meet with top Cuban ministers and business officials at "U.S.-Cuba Business Summit." Wednesday through Friday.

Lima: Peru to issue consumer prices data for February.

Ottawa: Canada to issue December gross domestic product data.

Washington: Commerce Department to report personal income and spending for January.

## Asian Crisis

ederal National Mortgage Association sells three-year notes, banks say, will be less conflict than if Fannie Mae offers for a five-year issue.

Last week, Greece sold \$1.4 billion of 10-year bonds through an issue that underwriters said was placed in Europe. The bonds were offered at a spread of 133 basis points, above the 1.32 percentage points, above, paid by a U.S. government paper.

Sony Corp. also made a global offering of \$1.5 billion in five-year notes, mostly sold in the United States. Offered at a spread of 57 basis points over U.S. notes, the notes ended the week trading at a spread of 2.5 basis points. Underwriters said they exceeded \$2.5 billion.

In the high-yield market, the U.S.-owned Moscow Telephone is expected to offer this week \$100 million in three-year notes carrying a coupon more than 12 percent.

## Artens Optimists

Showing soaring consumer confidence and strength in housing and manufacturing suggested that the economy lost little steam, and economists predicted that the employment report for February, due this week, would gain jobs in jobs and wages.

In testimony before Congress last week, the Fed chairman, Alan Greenspan, said that it remained unclear whether the Asian turmoil would growth and that the central bank was alert for signs of inflation, such as wages. For some investors, the best gains may be over in the long term.

Philip Pauze of Pauze Swanson C. Management in Houston said he was going to bet on lower yields, given the strength of the economy. One of his performers last year, he sold his bond holdings in early January and has most of his investments in overrepurchase agreements, cash options that yield around 5.58 percent.

"We're going to stay in cash because rates are going to take people there," he said. "We're in a real preservation mode right now. I don't want to take such market

## Bloomberg News

WASHINGTON — The U.S. Treasury Department will propose rules requiring securities brokers to report evidence of possible money laundering, as banks now must do, Treasury and Securities and Exchange Commission officials said.

The proposal, to be issued in the next three months, comes as criminal prosecutors are stepping up their investigations of securities fraud.

At least two brokers were charged with money laundering following an FBI sting in October 1996 that led to the arrest of 45 stock promoters, company officers and brokers.

Catherine McGuire, chief coun-

sel of the SEC's market-regulation division, said the proposal would increase the responsibility of broker-dealers to report suspicious activity involving the possible concealment of funds.

"Brokers need to know this is coming down the pike," Ms. McGuire said Saturday at the "SEC Speaks" conference in Washington.

The proposal is being developed by Treasury's Financial Crimes Enforcement Network, one of the department's five law-enforcement bureaus, a Treasury spokeswoman said. It will be issued for comment for 90 days, and Treasury officials will review the responses before de-

ciding whether to adopt the rule.

Money laundering occurs when illegal proceeds are concealed, often through banking or currency transactions. A broker who defrauds investors might seek to mask the source of that illicit activity by cycling the investors' money through a foreign broker, said Henry Klebin, a senior SEC enforcement official in New York. Illegal drug proceeds can be laundered through investments made with a brokerage, he said.

The Securities Industry Association, which represents 800 of the largest U.S. brokerages, has been working with Treasury officials on the proposal.

"It strengthens for a while," he said, "then sinks again."

Unemployment is growing, and prices are rising for both imported and locally produced goods, including medicines.

"People's lives are becoming more difficult," he said.

Continued from Page 11

procedures; has removed state funding for expensive and money-losing projects and has begun to restructure its ailing banking system.

In spite of the steps, he said, "the exchange rate of the ruble continues to be weak."

## United Arab Emirates Pushing For New Adherence to Quotas

## Bloomberg News

ABU DHABI — The United Arab Emirates said Sunday that it would attend an emergency meeting of the Organization of Petroleum Exporting Countries if all members of the cartel were willing to cooperate and adhere to quotas.

Crude oil prices have slumped to their lowest level in almost four years, partly because of OPEC's November decision to raise production quotas by almost 10 percent, to 2.75 million barrels a day.

Mr. Nassiri said, "OPEC's proposed emergency meeting should concentrate first on the member states' commitment to their output quotas before considering a reduction of OPEC's output ceiling."

Members pumped about 2.78 million barrels of oil a day last month, according to estimates, or 300,000 more than under the cartel's quota.

Saudi Arabia, OPEC's largest producer, has said it will not act alone to support prices.

Saudi Arabia and Iran responded to a call for an OPEC meeting by its Indonesian counterpart, Ida Bagus Sudjan, said. "Contacts between the OPEC member states are currently under way, and the UAE welcomes such a meeting if its success is guaranteed," according to the emirates' official news agency, WAM.

While some traders say prices will prompt the cartel to take action soon, others say a meeting is unlikely because Venezuela has said it will not reduce its output.

"We are prepared to take action to prop up oil prices if meaningful efforts are made by quota-violating member countries," the statement said.

For an emergency meeting is obvious, but whether Venezuela is willing to adhere to its quota is the

into the presidential race in 2000, encompassing not just the size and composition of any tax cut but also the very nature of the tax system.

"To the extent there is a surplus, it enables the Congress to propose all these tax changes," said Gregory Jenner, the national director of tax policy at Coopers & Lybrand in Washington.

"Having said that, it's obvious the president has a different agenda. They're going to have to find some common ground."

But they have already run head-

into another fiscal problem, the im-

pending insolvency of the Social Se-

curity system, and the determined

opposition of President Bill Clinton,

who views large-scale tax reductions as an excuse to erode needed government programs; he even sees a risk that the tax cuts would plunge the budget back into deficit.

As a result, a lengthy, high-

volume political clash is likely to

extend through this year and next and

into the presidential race in 2000, encompassing not just the size and composition of any tax cut but also the very nature of the tax system.

"To the extent there is a surplus, it enables the Congress to propose all these tax changes," said Gregory Jenner, the national director of tax policy at Coopers & Lybrand in Washington.

"Having said that, it's obvious the president has a different agenda.

They're going to have to find some

common ground."

On an ideological level, the con-

lict is clearly drawn. Although

there is a growing rift within the

Republican Party about how hard

to push this year for a big tax cut, many

Republicans see taxes as the econ-

omy's No. 1 enemy, sapping the

country's entrepreneurial spirit, leav-

ing families working ever harder to

make ends meet and feeding the

growth of an intrusive, power-

hunting federal bureaucracy.

Some Republicans see big tax

cuts as a good start, but their ul-

imate goal remains a radical over-

haul of the way the federal gov-

ernment raises revenue, starting

with the abolition of the progressive

income tax and its replacement with

a single-rate flat tax or some form of

any talk of broad tax cuts, Democrats

say, must wait until the country solves

the looming problems of Social Security.

into the presidential race in 2000, encompassing not just the size and composition of any tax cut but also the very nature of the tax system.

"To the extent there is a surplus, it enables the Congress to propose all these tax changes," said Gregory Jenner, the national director of tax policy at Coopers & Lybrand in Washington.

"Having said that, it's obvious the president has a different agenda.

They're going to have to find some

common ground."

On an ideological level, the con-

lict is clearly drawn. Although

there is a growing rift within the

Republican Party about how hard

to push this year for a big tax cut, many

Republicans see taxes as the econ-

omy's No. 1 enemy, sapping the

country's entrepreneurial spirit, leav-

ing families working ever harder to

make ends meet and feeding the

growth of an intrusive, power-

hunting federal bureaucracy.

Some Republicans see big tax

cuts as a good start, but their ul-

imate goal remains a radical over-

haul of the way the federal gov-

ernment raises revenue, starting

with the abolition of the progressive

income tax and its replacement with

a single-rate flat tax or some form of

any talk of broad tax cuts, Democrats

say, must wait until the country solves

the looming problems of Social Security.

into the presidential race in 2000, encompassing not just the size and composition of any tax cut but also the very nature of the tax system.

"To the extent there is a surplus, it enables the Congress to propose all these tax changes," said Gregory Jenner, the national director of tax policy at Coopers & Lybrand in Washington.

"Having said that, it's obvious the president has a different agenda.

They're going to have to find some

common ground."

On an ideological level, the con-

lict is clearly drawn. Although

there is a growing rift within the

Republican Party about how hard

to push this year for a big tax cut, many

Republicans see taxes as the econ-

omy's No. 1 enemy, sapping the

country's entrepreneurial spirit, leav-

ing families working ever harder to

make ends meet and feeding the

growth of an intrusive, power-

hunting federal bureaucracy.

Some Republicans see big tax

cuts as a good start, but their ul-

imate goal remains a radical over-

haul of the way the federal gov-

ernment raises revenue, starting

with the abolition of the progressive

income tax and its replacement with

a single-rate flat tax or some form of

any talk of broad tax cuts, Democrats

say, must wait until the country solves

the looming problems of Social Security.

into the presidential race in 2000, encompassing not just the size and composition of any tax cut but also the very nature of the tax system.

"To the extent there is a surplus, it enables the Congress to propose all these tax changes," said Gregory Jenner, the national director of tax policy at Coopers & Lybrand in Washington.

"Having said that, it's obvious the president has a different agenda.

They're going to have to find some

common ground."

On an ideological level, the con-

lict is clearly drawn. Although

there is a growing rift within the

Republican Party about how hard

to push this year for a big tax cut, many

Republicans see taxes as the econ-

omy's No. 1 enemy, sapping the

country's entrepreneurial spirit, leav-

ing families working ever harder to

make ends meet and feeding the

growth of an intrusive, power-

hunting federal bureaucracy.

Some Republicans see big tax

cuts as a good start, but their ul-

imate goal remains a radical over-

haul of the way the federal gov-

ernment raises revenue, starting

with the abolition of the progressive

#### **NASDAQ NATIONAL MARKET**

**Consolidated prices for all shares traded during week ended Friday, Feb. 27**

Feb. 27

INTERNATIONAL HERALD TRIBUNE, MONDAY, MARCH 2, 1998

A two-month  
subscription  
Save up to ~~50%~~  
a special, low cost ~~offer~~

**Continued on Page 15**

## **BUSINESS OPPORTUNITIES**

# A two-month subscription Save up to 50%



## SPORTS

# At 28, It's Last Chance For Belgian Bike Racer

By Samuel Abt  
International Herald Tribune

**LOKEREN, Belgium** — By now, almost no one believes in Wilfried Nelissen's chances for a comeback. The second comeback, that is. For the first one, his coach, his teammates, his many fans in Belgium, above all Nelissen himself, believed. Now, the list seems to have dwindled to just Nelissen, if even.

Listen to Walter Planckaert, the *directeur sportif* of Nelissen's bicycle team: "He's in the hospital again, another knee operation. He'll miss training for four weeks once he gets out. He had the operation Tuesday. When he gets out, we don't know yet."

In other words, the rider will not begin training until April at the earliest, far too late for the spring races. No matter what his condition thereafter, his minor Palms team will not be eligible for any of the big races of summer and fall.

The season has just begun, but for Nelissen it seems to be over already. At 28, there are not many years left.

"It will be difficult for him," Planckaert judged. "Extremely difficult."

A teammate, Gert Vanderhaegen, a Belgian like Planckaert and Nelissen, was blunt. "It doesn't look good for him," he said.

They both spoke Saturday morning in Sint Pieter's Plein, a huge square in Ghent, before the start of the Het Volk race. Staged over 202 kilometers (125 miles), 11 short, steep climbs and stretches of cobblestones, the Het Volk opens the bicycle season in the north of Europe after a month of races in Spain, Italy and the south of France.

The Het Volk is a tough race, especially when the wind is blowing hard, as it was Saturday. As they say in Belgium, mainly when a Belgian finishes first, it takes a tough man to win such a tough race. Nelissen has won it twice.

The first time was in 1993, and he became the bright hope of Belgian bike racing at age 22. Everything seemed possible for a sprinter as fleet as he was. But the day after his victory, as he rode in the minor Kuurne-Brussels-Kuurne race, he crashed, broke his collarbone and missed the one-day classics.

Nelissen won the Het Volk again in 1994 and seemed once more to be heading for the top when he also won the Belgian national championship that June. But, a week later, in the first stage of the Tour de France, as he sprinted for

the finish line with his head down, he plowed into a French policeman who had moved onto the course to take a photograph of the approaching riders. Knocked unconscious by the crash at 10 kilometers an hour, Nelissen suffered a concussion and had to be hospitalized. His Tour was over. His first serious comeback began.

Was he shy now when the sprinting began?

"No, not at all," he said. "It's all over now." To prove it, he won a race in Belgium that September and a few weeks later the Grand Prix d'Iberville in France. "That felt good," he said.

In 1995, he repeated his victory in the Belgian championships and was wearing the black, yellow and red striped jersey the next spring. No Het Volk victory this time but he was off to a good start until the Ghent-Wevelgem race in April.

Somehow, as the pack rode single file in a heavy wind, Nelissen hit one of the many thick wooden stakes that mark the side of back-country roads. His right knee was shattered, his thigh ripped open, his shin fractured.

Then began, and continues, his second comeback. Not until February 1997, nearly a year later, was he able to resume riding. By then, his Lotto sponsor had dropped him, and he moved from the country's only major team to Palms, a low-budget one. When the Tour de France was starting last July, the rider who once wore its yellow jersey was finally fit for his first race.

It was one of the small ones, called kermesses, that nearly every village in Belgium sponsors on weekends. Among the riders from some unsung Belgian teams, Nelissen raced up main streets, out past flat farmland and then back down main streets. Even if the competition was not overly stiff and even if his team convoyed him most of the way, Nelissen still astounded the sport by winning a kermesse in Sint Niels.

Later this January, he went to Spain to train with the Het Volk as his first big goal, but after a 100-kilometer ride, he returned to his hotel in tears from the pain in his knee. He rested, tried to train again and could not last. Last week he had surgery to repair calcification in the knee.

Nelissen will give himself this one last year to see if he has a future as a rider, his friends say. He cannot discuss his chances because he does not want to be called in the hospital.



Ole Kristian Furuseth of Norway winning the men's slalom on Sunday.

## 3 Norwegian Skiers Sweep Top Men's Slalom Spots

The Associated Press

**YONGPYONG, South Korea** — The guy with the funny red hair made only the briefest of appearances Sunday for the World Cup slalom and yet he can take a lot of credit for Norway's sweep of the first three places.

"The reason we're doing so well is because of Hans-Petter Børnsen," said Ole Kristian Furuseth, who outraced his teammates, Finn Christian Jagge and Tom Stiansen, to win the final event of the first World Cup weekend in South Korea.

"He has given us great momentum by winning the gold medal and pushing us to our limits in training because he was very fast," Furuseth said.

Børnsen, the Norwegian whose hair is dyed bright-wig red, went off course after three gates in the morning run. Furuseth, who got the silver medal behind Børnsen in the Olympic slalom in Japan last month, gained his first victory since 1995 with a two-run time of 1 minute, 39.15 seconds.

"Starting No. 1 was an advantage for me because the course was perfect for me," Furuseth said. "It became choppy

for the later starters." Furuseth won his first World Cup race in 1989 at Shiga Kogen, Japan, and also won at Furano, Japan, later that season.

Jagge was second overall in 1:39.82 — 39 hundredths of a second better than Stiansen, last year's world champion slalom gold medalist, who was third in the first heat as well.

On Saturday, Michael Von Gruenewald of Switzerland displayed a master's touch on the treacherous lower section of the slope to win the men's giant slalom. Christian Mayer of Austria was second, 40 hundredths of a second behind. Hermann Maier of Austria, the Olympic giant slalom champion and runaway leader in the World Cup overall standings, was third.

### Ertl Wins Night Race

Martina Ertl of Germany won a women's night slalom Sunday in one minute and 36 seconds. The Associated Press reported from Hinterglemm, Austria.

Trine Bakke of Norway finished second in 1:36.07, with Kristina Koznick of the United States third in 1:36.26.

## African Hopefuls Give Few Clues to World Cup

### Egypt Wins Soccer Title but Will Miss France

By Brian Homewood  
Reuters

**OUAGADOUGOU, Burkina Faso** — The African Nations' Cup, which finished with Egypt beating South Africa, 2-0, in the final on Saturday, gave little away about the continent's prospects at the World Cup finals in France this year.

The title went to a team that failed to qualify for the World Cup, while Nigeria, probably the strongest of Africa's World Cup quintet, was not in Burkina Faso because of suspension.

Tunisia, which will play England, Colombia and Romania in the World Cup Group G, did little to impress scouts from those countries and may have left them wondering how Tunisia overcame the polished Egyptians in its World Cup qualifying group.

Any observers sent by the first-round opponents of South Africa, Morocco and Cameroon are unlikely to have drawn many firm conclusions.

To add to the unpredictability of the African teams, South Africa will go to the World Cup under a different coach, while coaching changes are possible for both Cameroon and Tunisia.

"As first time goers, we must just go and enjoy ourselves," said Mark Fish, a South Africa defender. "If any African team can win the World Cup, it should be Nigeria. They've got enough experience, they've got enough good players."

South Africa shone in flashes, especially in its first-round victory over Namibia and its semifinal victory over the Democratic Republic of Congo, but was ultimately outclassed by Egypt in the final when its play was uninspired and its forwards lacked sparkle.

Cameroun had two of the tournament's most promising young players in Rigobert Song and Pierre Nlandu Wome, already playing in his second Nations' Cup at the age of 18. In Alphonse Tchami, who scored in each first-round game, it also appears to have found a regular goalscorer.

Cameroon played well in patches but badly throughout its quarterfinal, when it suffered a shock elimination against the Democratic Republic of Congo.

Morocco, which played a similar disciplined game to Egypt, appeared to be

saving itself for France.

Moroccans said afterward that their preparation had not been the best, partly because of the Muslim holy month of Ramadan.

They will have to improve on their shooting if they are to progress beyond the first round in France, when Brazil, Norway and Scotland will be their opponents.

Tunisia was outplayed by Ghana, beat the Democratic Republic of Congo and Togo without ever looking convincing and then crashed to the previously unrated hosts on penalties in the quarterfinals.

The tournament showed that African teams are generally improving their tactical discipline, and the old belief that they are good to watch but maybe no longer holds true.

Egypt, especially, was very well organized. It conceded only one goal on its way to the title.

In the final, Ahmed Hassan and Tarek Mostafa scored in the first 13 minutes, and the Egyptian defense comfortably resisted all of South Africa's attacks after that to give Egypt a record fourth African title. Mahmoud Gohari became the first man to win the competition both with Cameroon and Tunisia.

The coaches of Algeria, Ghana, Zambia and Angola were all victims of dismissals or attempted dismissals, and Cameroon's path to France appears to be fraught with uncertainty.

Jean Manga Onguene, the Cameroon coach, refused to talk about his prospects of remaining in charge until the final. Roger Milla, Cameroun's most famous former player, was in Burkina Faso, officially as a talent scout for the French club Montpellier. But Milla went into the team dressing room before every match and sources said he was giving team talks to Onguene.

South Africa will almost certainly start the World Cup with a new coach. South Africa played under a caretaker coach, Jomo Sono, in Burkina Faso. The South African soccer federation had announced beforehand that Philippe Troussier, a Frenchman, would replace Sono however the team performed Troussier led Nigeria to the World Cup finals before being dismissed last year. Then he took over Burkina Faso and coached it to the semifinal here.

## SCOREBOARD

### BASEBALL

#### EXHIBITION BASEBALL

#### FRIDAY RESULTS

#### TEAMS

#### RESULTS

#### FRIDAY



